

Execution Version

CM HI-TECH CLEANROOM LIMITED

AND

MAYAIR HK HOLDINGS LIMITED

IMPLEMENTATION AGREEMENT

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THIS AGREEMENT is made on 14 October 2024

BETWEEN:

- (1) **CM HI-TECH CLEANROOM LIMITED**, an exempted company incorporated under the laws of Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and a place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong (the "**Company**"); and
- (2) **MAYAIR HK HOLDINGS LIMITED**, a company incorporated under the laws of Hong Kong with limited liability whose registered office is at 27/F, Alexandra House, 18 Chater Road, Central, Hong Kong (the "**Offeror**").

WHEREAS:

- (A) The Offeror intends to privatise the Company, whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 2115), by way of a scheme of arrangement under section 86 of the Companies Act on the terms and subject to the conditions set out in the Announcement (the "**Transaction**").
- (B) This Agreement sets out the agreement between the Parties as to how the Proposal will be implemented.

NOW THEREFORE, in consideration of the foregoing recitals and of the mutual agreements and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. INTERPRETATION

1.1 In this Agreement, unless the context requires otherwise:

"Alternative Proposal" means:

- (a) an offer or possible offer (in either case whether or not subject to pre-conditions) put forward by any third party which is not acting in concert with the Offeror in respect of, or for, any Shares;
- (b) the sale or possible sale of the whole or a substantial part of the assets or undertakings of the Group;
- (c) any other transaction which would, if implemented, result in a change or *de facto* change of Control of the Company; or
- (d) any transaction proposed by the Company involving a return of capital or non-routine dividend or any other distribution to the Shareholders, other than approved by the Offeror or the Executive in writing,

in each case howsoever it is proposed that such offer, proposal or transaction be implemented (whether, without limitation, by way of scheme of arrangement, merger, business combination, dual listed company structure or otherwise).

"Affiliates" means with respect to any Party that is a legal entity, another entity that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such entity;

"**Announcement**" means the joint announcement to be published by the Offeror and the Company pursuant to Rule 3.5 of the Takeovers Code in respect of the Proposal, substantially in the form set out in **Schedule 1** to this Agreement (subject to such changes as may be requested by the Executive and/or the Stock Exchange and agreed by the Offeror and the Company).

"**Anti-Bribery Laws**" means the Applicable Laws relating to anti-bribery or anti-corruption (governmental or commercial) which apply to the Group or any agent of the Group from time to time, including Applicable Laws that prohibit the payment, offer, promise, or authorisation of the payment or transfer of anything of value (including gifts or entertainment), directly or indirectly, to any public official, government employee or commercial entity to obtain an illegitimate business advantage; including the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and all national and international laws enacted to implement the OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions.

"**Anti-Money Laundering Laws**" means all applicable anti-money laundering statutes of all jurisdictions, including, without limitation, the PRC, Hong Kong, Malaysia and the Philippines anti-money laundering laws, the rule and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency.

"**Antitrust Laws**" means the Anti-Monopoly Law of the PRC (of 30 August 2007, as amended), and the rules and regulations promulgated thereunder, and all other applicable statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws in any applicable jurisdiction that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolisation or restraint of trade or lessening of competition through merger or acquisition.

"**Applicable Laws**" means with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders, notices or requirements of any Authority that are applicable to such person.

"**Approvals**" means any approvals, authorisations, rulings, licences, permits, consents, permissions, waivers, clearances or registrations which are required under any Applicable Law or by any Authority, in each case excluding any filing or notification to any Authority which does not require such Authority's approval, acknowledgement, permission, consent or clearance.

"Authority" means any relevant government, administrative or regulatory body, court, tribunal, arbitrator, governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local.

"Board" means the board of directors of the Company.

"Business Day" means a day (other than a Saturday or Sunday or statutory public holiday) on which the Stock Exchange is open for the transaction of business and on which the banks are open for business in Hong Kong, the PRC, the Cayman Islands and Malaysia and the Registrar of Companies is open for business in the Cayman Islands.

"Cancellation Price" has the meaning given to it in the Announcement.

"Claim" includes any claim, counterclaim, assessment, notice, demand or other documents issued or action taken:

- (i) by or on behalf of any taxation authority (whether local, municipal, provincial, central or otherwise) in any of the PRC, Malaysia, Philippines and Hong Kong or any other revenue, customs, fiscal, statutory or governmental authority whatsoever or official in any of the PRC, Malaysia, the Philippines, Hong Kong or in any other part of the world whereby it appears that any members of the Group is liable or is sought to be made liable for any payment of any Taxation or to be deprived of or sought to be deprived of any Relief which Relief would, but for the Claim, have been available to any of members of the Group or where any of members of the Group is required to suffer the non-availability, loss, cancellation or reduction of a right to repayment of taxation; or
- (ii) a claim for (a) breach of any of the Company's Warranties; (ii) any liabilities of the Group Companies before the Effective Date or relates to incidents occurred prior to the Effective Date but arose after the Effective Date; and/or (iii) any liabilities under this Agreement.

"Companies Act" means the Companies Act (as revised) of the Cayman Islands.

"Companies Ordinance" means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

"Company" has the meaning given to it in the Preamble.

"Company's Warranties" means the warranties given by the Company and contained in this Agreement as set out in **Schedule 2** to this Agreement.

"Conditions" means the conditions to the implementation of the Proposal as set out in the Announcement under the section headed "*Conditions of the Proposal*" or as set out in any future announcement issued by the Company and **"Condition"** means any one or more of them as the context requires.

"Confidential Business Information" has the meaning given to it in Clause 3.2(b).

"Connected Person" has the meaning given to it under the Listing Rules.

"Control" means (a) the power (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) to appoint and/or remove all or such of the members of the board of directors or other governing body of an entity or partnership as are able to cast a majority of the votes capable of being cast by the members of that board or body on all, or substantially all, matters, or otherwise to control or have the power to control the policies and affairs of that person; and/or the holding and/or the possession of the beneficial interest in and/or the ability to exercise the voting rights applicable to shares or other securities in any person which confer in aggregate on the holders thereof more than 50% of the total voting rights exercisable at general meetings of that person on all, or substantially all, matters.

"Court Meeting" means a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof.

"Court Order" means the order of the Grant Court, to be granted at the Sanction Hearing, sanctioning the Scheme under section 86 of the Companies Act.

"Deed of Indemnity" means the deed of indemnity dated 14 October 2024 executed by each of Mr. Ng Yew Sum, Mr. Law Eng Hock, Mr. Chin Sze Kee and Mr. Luah Kok Lam in favour of the Offeror on or about the date of this Agreement to, *inter alia*, indemnify the Offeror from and against the losses which the Offeror may sustain in respect of breach of certain representation and warranties as set out therein.

"Despatch Date" means the date of despatch of the Scheme Document.

"Data Room" electronic data room maintained by Howse Williams on the ownCloud server containing documents up to 6:00 p.m. on 30 September 2024 at <https://filex.howsewilliams.com> under the name "Project Pitta".

"Disclosure" means the information properly and fairly disclosed in the Data Room, documents pursuant to requisition and follow-up lists, or otherwise provided to/by the Offeror or its legal counsels, financial and tax advisers on or before the date of this Agreement, the contents of which are set out in the list of documents as agreed by the Company and the Offeror in writing and recorded on the USBs, and include any other lists of documents as may be further agreed between the Company and the Offeror in writing or by emails.

"Effective Date" means the date on which the Scheme becomes effective in accordance with its terms and the Companies Act and which date will, in any event, be by no later than the Long Stop Date (or such other date as the Parties may agree in writing from time to time).

"EGM" means the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Resolutions and includes any adjourned meeting relating thereto.

"Encumbrance" means any lien, pledge, encumbrance, charge (fixed or floating), mortgage, third-party claim, debenture, option, right of pre-emption, right to acquire, assignment by way of security, trust arrangement for the purpose of providing security or other security interests of any kind securing any obligation of any person or any agreement or arrangement having a similar effect.

"Executive" means the executive director of the corporate finance division of the SFC, or any delegate of the executive director.

"FY2023 Financial Statements" means the consolidated audited financial statements of the Group for the financial year ended 31 December 2023.

"FY2023 Financial Statements Date" means 31 December 2023.

"Grand Court" means the Grand Court of the Cayman Islands.

"Group" means the Company, its subsidiaries and subsidiary undertakings and "a member of the Group" shall be construed accordingly.

"HK\$" means Hong Kong dollar, the lawful currency of Hong Kong.

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC.

"Intellectual Property" means: (i) patents, trade marks, service marks, registered designs, applications and rights to apply for any of those rights, trade, business and company names, internet domain names and e-mail addresses, unregistered trade marks and service marks, copyrights, database rights, rights in software, knowhow, rights in designs and inventions; and (ii) rights under licences, consents, orders, statutes or otherwise in relation to a right in respect of (i).

"Licences" has the meaning given to it in paragraph 5.6.1 of Schedule 2 to this Agreement.

"Listing Rules" means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

"Long Stop Date" has the meaning given to it in the Announcement.

"Material Adverse Effect" means an event or events, whether individually or in aggregate, occurring from the date of this Agreement and up to the Effective Date, which has or have the effect of causing a material diminution in the business, operations, assets, liabilities, condition (whether financial, trading or otherwise), prospects or operating results of the Group taken as a whole (not being a short-term, temporary change), but exclude any effect arising from or in

connection with (A) the execution of this Agreement or implementation of the Proposal; (B) the ordinary and usual course of the Group's business; (C) any change in the financial markets or general economic conditions generally affecting the industry in which the Group operates; and (D) the ability of the Offeror to consummate timely the transactions contemplated in this Agreement or the Proposal.

"Material Contract" means any material contract, undertaking, agreement or arrangement to which any member of the Group is a party that involves payment or incurrence of commitment involving aggregate capital expenditure in excess of HK\$3 million or its equivalents.

"Meetings" means the Court Meeting and the EGM.

"Negative Condition" means each Condition which is contained in paragraphs (h) to (j) (inclusive) under the section headed "*Conditions of the Proposal*" of the Announcement.

"Notice" has the meaning given to it in Clause 14.1.

"Offeror" has the meaning given to it in the Preamble.

"Offeror's Warranties" means the warranties given by the Offeror and contained in this Agreement as set out in Schedule 4 to this Agreement.

"Parties" means the named parties to this Agreement and **"Party"** means any one of them.

"Policies" has the meaning given to it in the paragraph 11.3.1 of Schedule 2 to this Agreement.

"PRC" means the People's Republic of China (for the purpose of this Agreement, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan).

"Pre-Condition" has the meaning given to it in the Announcement.

"Pre-Condition Long Stop Date" has the meaning given to it in the Announcement.

"Prescribed Occurrence" means any of the events or matters set out in **Schedule 4** to this Agreement.

"Proposal" means the pre-conditional proposal for the privatisation of the Company by the Offeror to be effected by way of the Scheme.

"Properties" means all real properties used, occupied or owned by the Group or in which any member of the Group has any other interest for the purpose of conducting the business.

"Reduction" means the proposed reduction (if any) of the issued share capital of the Company as a result of the Scheme under the Companies Act.

"Registrar of Companies" means the Registrar of Companies in the Cayman Islands.

"Related Persons" means any person or entity connected or related to a person or having any relationship with the person, including the first-named person's family members (that is the first-named person's spouse, sibling, child (natural or adopted), parent, step-parent, step-child or step-siblings), any director, management, officer, partner or advisor accustomed to act in accordance with the first-named person's wishes, or any person or entity who directly or indirectly through one or more entities, controls or is controlled by or is under common control with the first-named person or his family member(s). For the purposes of this definition only, "control" means direct or indirect ownership or control of more than 30% of the voting interests of such person or entity.

"Relief" means relief, allowance, set off or deduction in computing profits, right to repayment or credit granted by or pursuant to any registration or otherwise relating to all forms of Taxation.

"Resolutions" means such resolutions as are necessary to give effect to the Reduction, the Share Issuance, to implement the Scheme, the Rollover Arrangement and/or otherwise necessary for the Scheme to become effective.

"Restrictions" has the meaning given to it in Clause 12.2(b).

"Revised Proposal" has the meaning given to it in Clause 5.6.

"RMB" means Renminbi, the lawful currency of the PRC.

"Rollover Agreement" means the rollover agreement entered into between the Offeror and the Rollover Shareholders dated 14 October 2024.

"Rollover Arrangement" means the arrangement between the Offeror and the Rollover Shareholders under the Rollover Agreement.

"Rollover Shareholders" means Mr. Ng Yew Sum, Mr. Law Eng Hock and Mr. Chin Sze Kee, all are also executive directors of the Company and Mr. Luah Kok Lam, being the assistant general manager of the Group.

"Sanction Hearing" means the hearing of the petition by the Grant Court for the sanction of the Scheme and to confirm the Reduction.

"Scheme" means a scheme of arrangement under section 86 of the Companies Act for the implementation of the Proposal, with or subject to any modification, addition or condition approved or imposed by the Grand Court and agreed by the Company and the Offeror.

"Scheme Document" means the composite scheme document (which shall contain, among other things, further details of the Proposal and the Company's Board circular, including an explanatory statement) required under the Applicable Laws, the accompanying proxy forms, and notices of the Meetings, to be despatched by the Offeror and the Company to all Scheme Shareholders on the Despatch Date as required by the Takeovers Code, as may be amended or supplemented from time to time.

"Scheme Documentation" means the Scheme Document and any other document required to be published in connection with the Scheme.

"Scheme Shareholders" has the meaning given to it in the Announcement.

"Scheme Timetable" means the timetable as may be agreed by the Parties from time to time.

"SFC" means the Securities and Futures Commission of Hong Kong.

"SFO" means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

"Shareholder" means a person entered in the register of members of the Company as holder from time to time of the Shares.

"Shares" means the ordinary shares of HK\$0.01 each in the share capital of the Company.

"Share Issuance" means contemporaneously with the Reduction, the maintenance of the issued share capital of the Company at the amount prior to the Reduction by applying the reserve created as a result of the Reduction to pay up in full at par such number of new Shares as is equal to the number of Shares being cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

"Share Option Scheme" means the post-IPO share option scheme of the Company adopted by Shareholders' resolutions on 3 September 2020.

"Stock Exchange" means The Stock Exchange of Hong Kong Limited.

"Supplemental Document" has the meaning given to it in Clause 4.6.

"Takeovers Code" means, at any relevant time, the Hong Kong Code on Takeovers and Mergers in force at that time.

"Taxation" or **"Taxes"** includes all forms of taxation and statutory, governmental, state, provincial, local governmental or municipal impositions, duties, contributions and levies, including income, withholding, stamp, goods and services tax and any other form of value-added tax, in each case whether of Hong Kong, the PRC, Malaysia, the Philippines or elsewhere in the world whenever imposed and whether chargeable directly or primarily against or

attributable directly or primarily to a member of the Group or any other person and all penalties, charges, costs and interest relating thereto.

"Termination Date" means the date on which this Agreement terminates in accordance with Clause 12.1.

"Transaction" has the meaning given to it in Recital (A).

1.2 In this Agreement, unless otherwise specified:

- (a) references to Preamble, Recital, Clauses and Schedules are to preamble, recital, clauses in and schedules to this Agreement (unless the context otherwise requires);
- (b) use of any gender includes the other genders and use of the singular includes the plural and vice versa unless the context requires otherwise;
- (c) references to a "person" shall be construed so as to include any individual, firm, company, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (d) words and expressions defined in the Companies Ordinance shall bear the same respective meanings when used in this Agreement;
- (e) a reference to any party to this Agreement or any other agreement or document includes the party's successors and permitted assigns;
- (f) the ejusdem generis principle of construction shall not apply to this Agreement. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (g) references in this Agreement to statutory provisions shall be construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time and any orders, regulations, instruments or other subordinate legislation made from time to time under the statute concerned;
- (h) any reference to a "day" (including within the phrase "Business Day") shall mean a period of twenty-four (24) hours running from midnight to midnight;
- (i) references to times are to Hong Kong time;
- (j) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time; and

(k) references to "acting in concert" and "Control" are to be construed in accordance with the Takeovers Code.

1.3 The headings and titles are inserted for convenience only and shall not affect the construction of this Agreement.

1.4 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.

2. ANNOUNCEMENT, PRE-CONDITION AND CONDITIONS

2.1 Each Party shall use all reasonable endeavours to release the Announcement on the website of the Stock Exchange and the Company as soon as practicable after obtaining the approval of the SFC. All rights and obligations in this Agreement (other than the rights and obligations in this Clause 2.1 and in Clauses 5, 6, 10, 11, 12, 13 and 15) shall be conditional upon such release of the Announcement.

2.2 The Offeror and the Company agree that the making of the Proposal and the implementation of the Scheme are subject to non-waivable Pre-Condition and the satisfaction or waiver of the Conditions.

2.3 Subject to the requirements of the Executive, the Offeror reserves the right (but is in no way obliged) to waive in whole or in part all or any of the Negative Conditions.

3. IMPLEMENTATION OF THE PROPOSAL

3.1 Each Party shall use all reasonable endeavours to:

(a) do and execute, or procure the doing and executing of, each necessary act, document and thing within its power to satisfy the non-waivable Pre-Condition and implement the Proposal on the terms and subject to the conditions referred to in this Agreement, the non-waivable Pre-Condition and the Conditions and to give effect to the matters specified in, and to act in accordance with, the Announcement and the Scheme Documentation;

(b) achieve or co-operate to achieve satisfaction of the non-waivable Pre-Condition as promptly as reasonably practicable and in any event by no later than the Pre-Condition Long Stop Date; and

(c) without requiring the Offeror to waive any Condition or to treat any Condition as satisfied, achieve satisfaction of the Conditions as promptly as reasonably practicable and in any event by no later than the Long Stop Date (or such other date as the Parties may agree from time to time), save that nothing in this Clause 3.1 shall oblige the Offeror to waive any of the Conditions or treat them as satisfied.

- 3.2 The Parties shall co-operate with a view to all necessary statutory or regulatory clearances or obligations (including, without limitation, under the Listing Rules, the Takeovers Code, the Companies Act and any applicable Antitrust Laws) or other contractual obligations (including necessary third-party approvals) in connection with the Proposal being obtained or complied with in a timely manner. In particular:
- (a) the Parties shall co-operate to the extent reasonably practicable to ensure that all information necessary or desirable for the making of (or responding to any requests for further information consequent upon) any notifications or filings (including draft versions) in respect of the Proposal is supplied promptly to the Party dealing with such notifications and filings and that they are properly, accurately and promptly made;
 - (b) each Party shall provide the other Party (or their respective nominated advisers) with copies (including draft copies) of all notifications and communications (subject to any redaction as may be required in order to avoid the disclosure of information which would adversely affect such Party's business interests ("**Confidential Business Information**")) to and from relevant Authorities in relation to obtaining any relevant Approvals in such time as will allow the other Party a reasonable opportunity to provide comments on such draft notifications and communications before they are submitted to such relevant Authorities and take into account any such comments as are reasonable and provide the other Party (or its nominated advisers) with copies of all such notifications and communications in the form submitted (save that Confidential Business Information may be redacted); and
 - (c) each Party will, where permitted by the relevant Authorities concerned, inform the other Party in advance of, and allow persons nominated by the other Party to attend, all meetings and discussions relating to the implementation of the Scheme with such relevant Authorities and, where appropriate, to make oral submissions at such meetings and discussions, save for any portion of such meeting or discussion during which legally privileged information or Confidential Business Information is being conveyed.
- 3.3 If at any time a Party becomes aware of anything that might reasonably be expected to prevent any of the Conditions from being satisfied, it shall immediately inform the other Party.

4. OBLIGATIONS WITH REGARD TO THE SCHEME

- 4.1 The Company shall use its best endeavours to implement the Scheme in accordance with the Scheme Timetable and the Offeror will provide such co-operation and assistance to the Company as the Company may reasonably request in writing in connection therewith.
- 4.2 Without limit to the Company's obligations under Clause 4.1, the Company undertakes to:

- (a) use all reasonable endeavours to adhere to the Scheme Timetable and take all steps/actions necessary to give effect (in a timely manner) to each of the steps/actions set out in the Scheme Timetable and take all and any other steps/actions required to give effect to the Scheme (including but not limited to the obtaining of all necessary approvals, authorisations, rulings, licences, permits, consents, permissions, waivers, clearances or registrations from contracting parties of the Group in connection with the contemplated change in ownership and privatisation of the Company following the implementation of the Scheme);
 - (b) use all reasonable endeavours to consult with the Offeror as to the form and content of the Scheme Documentation, and not to finalise, publish or post any Scheme Documentation or any amendment thereto without the Offeror's prior written consent and to provide copies to the Offeror of all of the Scheme Documentation prior to any publication of the same;
 - (c) cause a copy of the Court Order to be filed or registered (as applicable) with the Registrar of Companies as soon as practicable after consulting with the Offeror (and in any event no later than the Business Day following the Sanction Hearing); and
 - (d) use all reasonable endeavours after the Effective Date to procure the resignation of the directors of the Group (save for Mr. Ng Yew Sum, Mr. Law Eng Hock and Mr. Chin Sze Kee) with effect from the earliest time permitted under the Takeovers Code or such later time as directed by the Offeror
- 4.3 Except as otherwise required by Applicable Laws, the Company undertakes not to withdraw the Scheme or allow the Scheme to lapse or procure the withdrawal or lapse of the Scheme without the prior written consent of the Offeror.
- 4.4 The Offeror may request the Company to vary or amend the Scheme. The Company agrees that, upon a reasonable request by the Offeror to vary or amend the Scheme, it will, subject to compliance with Applicable Laws, use best endeavours to comply with any such request and do all things necessary to give effect to such variation or amendment, including amending any Scheme Documentation to the extent applicable, giving written notice of such variation or amendment to the Shareholders or making an application to the Grand Court (if required). If the Company wishes to seek the approval of the Grand Court to, or agree to, make any material variation of, or amendment to, the Scheme or any Scheme Documentation, it will only do so after receiving the prior written consent of the Offeror. For the avoidance of doubt, this shall not include any variation or amendment required by the Grand Court.
- 4.5 If a supplemental circular or announcement is required to be published or submitted to the Grand Court in connection with any variation or amendment to the Scheme (a "**Supplemental Document**"), the Parties will, as soon as reasonably practicable, provide such co-operation and information (including such information as is necessary for the Supplemental Document to comply with all applicable legal and regulatory provisions and to make any further

application to the Grand Court) as the other may reasonably request and is necessary to finalise and publish promptly such Supplemental Document.

5. ALTERNATIVE PROPOSALS

5.1 The Company undertakes that it will not, and will procure that no member of the Group shall, directly or indirectly:

- (a) solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to an Alternative Proposal from any person other than the Offeror; and
- (b) enter into, or participate in, any discussions or negotiations (other than responding to unsolicited enquiries) with any such person in relation to an Alternative Proposal or provide any due diligence information and non-public information on the Company and the Group to any third party in connection with an Alternative Proposal,

save to the extent that, based on the written advice of external legal counsel:

(i) the Board reasonably considers that they are likely to be in breach of their directors' duties or statutory duties not to do so; or (ii) they are required to do so under Rule 6 of the Takeovers Code or other Applicable Laws.

5.2 The Company shall notify the Offeror as soon as reasonably practicable and to the extent permitted under Applicable Laws if:

- (a) an approach is made to it or to any other member of the Group or to any of their respective directors, employees, advisers or agents after the date of this Agreement in relation to any Alternative Proposal and shall keep the Offeror informed at appropriate times as to the general progress of any such approach; and
- (b) it receives (or any of its directors, employees, advisers or agents receives) a request for information under Rule 6 of the Takeovers Code.

5.3 The Company agrees, if requested by the Offeror, to disclose to the Offeror (if permitted to do so by the party making the Alternative Proposal) as soon as reasonably practicable and to the extent permissible under Applicable Laws, the price, form of consideration and identity of the relevant parties (including the details of any subsequent changes of such information), in relation to any approach made relating to an Alternative Proposal and whether or not the Board (or any committee thereof) is considering such an Alternative Proposal, provided that any such disclosure would not be reasonably likely to be inconsistent with any duties of the Board owed to the Company.

5.4 The Company shall, as soon as reasonably practicable and to the extent permissible under Applicable Laws, deliver to the Offeror any information (not already provided to the Offeror) which the Company delivers to another offeror or potential offeror whether or not a request is made under Rule 6 of the Takeovers Code.

- 5.5 The Company shall not withdraw the Scheme or permit any recommendation to be withdrawn or (subject to Clause 5.6) modified for a period of five (5) Business Days following the announcement of an Alternative Proposal, and during such period the Company agrees not to and shall procure that the Board will not make any recommendation as to the Alternative Proposal.
- 5.6 The Company agrees and shall procure that if the Offeror communicates to the Company, within the five (5) Business Day period referred to in Clause 5.5, a revision of the terms of the Proposal such that the terms of the Proposal (as so revised) (the "**Revised Proposal**") are no less favourable to the Shareholders than the terms of the Alternative Proposal, the Board will, if it had recommended the Proposal, continue to provide an unqualified recommendation of the Revised Proposal and shall make an announcement to this effect.
- 5.7 Notwithstanding anything to the contrary under this Clause 5, none of the provisions of this Agreement shall be construed to prevent or deprive: (i) the Shareholders from having the opportunity to consider; or (ii) the Company from considering, in each case, any unsolicited Alternative Proposal from any person other than the Offeror.
- 5.8 The Company represents and warrants to the Offeror that, as at the date of this Agreement, the Company is not aware of any ongoing discussions, negotiations or arrangements with any party other than the Offeror regarding an Alternative Proposal.

6. CONDUCT OF BUSINESS

- 6.1 The Company undertakes to the Offeror that, save for any action required to give effect to the Proposal, or otherwise as required by the terms of the Scheme Documentation or this Agreement or by Applicable Laws, and subject to applicable requirements in relation to directors' duties and unless otherwise approved by the Shareholders in a general meeting in accordance with Rule 4 of the Takeovers Code, it will not, and will procure that each member of the Group will not, without the prior written consent of the Offeror (not to be unreasonably withheld or delayed), prior to the earlier of: (i) the Effective Date; and (ii) the Termination Date:
- (a) carry on its respective businesses, other than in the ordinary and usual course of business;
 - (b) allot, issue, authorise or propose the issue of any securities or make any change to its share capital, other than in respect of any wholly-owned member of the Group;
 - (c) in respect of the Company only, recommend, propose, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise. For the avoidance of doubt, in the event that any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of

the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive and subject to compliance with the Takeovers Code;

- (d) merge with any body corporate or acquire or dispose of any assets or authorise, propose or announce any intention to propose any merger, demerger, acquisition or disposal, other than in the ordinary and usual course of business of the Group;
- (e) other than in the ordinary course of business, issue, authorise or propose the issue of any debentures or incur or increase any indebtedness or contingent liability;
- (f) other than in the ordinary course of business, enter into any Material Contract;
- (g) compromise or settle any legal proceedings for an amount in excess of HK\$500,000 or its equivalent;
- (h) enter into contracts, including service contracts (and including making any amendment to terms and conditions of employment of employees, provision of gratuitous payment or benefits or hire or dismiss any employees of the Group), otherwise than in the ordinary and usual course of business of the Group, for an amount in excess of HK\$500,000 or its equivalent;
- (i) enter into, vary or amend terms of transaction with the Connected Persons, except in the ordinary and usual course of business of the Group and on arm's length terms;
- (j) create, or agree to create, any Encumbrance over its business or any assets or entering into any guarantee, indemnity or other agreement to secure an obligation of any third party, except in the ordinary and usual course of business of the Group;
- (k) transfer or assign to any third party any Intellectual Property which it owns or has the right of use as at the date of this Agreement as well as any other Intellectual Property which it subsequently acquires or obtains the right of use of;
- (l) make amendments to the constitutional documents;
- (m) apply changes to accounting policies or practices; or
- (n) conduct any other actions that would constitute a frustrating action pursuant to Rule 4 of the Takeovers Code.

6.2 The Company undertakes to the Offeror that, from the date of this Agreement until the earlier of (i) the Effective Date; and (ii) the Termination Date:

- (a) it shall, and shall procure each member of the Group to, maintain all Licences necessary for the carrying on of the businesses and operations of each member of the Group and shall not permit or suffer any of such Licences to lapse;
 - (b) it shall not grant any options under the Share Option Scheme prior to the earlier of: (i) the Effective Date; and (ii) the Termination Date;
 - (c) subject to compliance with Applicable Laws (including the Takeovers Code and the Listing Rules), it shall keep the Offeror informed of any material developments relating to the business and financial affairs of the Group; and
 - (d) subject to compliance with Applicable Laws, it shall promptly notify the Offeror in the event that the Company becomes aware of any fact, matter or thing inconsistent with the obligations contained in Clause 6.1 above.
- 6.3 The Company undertakes to the Offeror that it shall, subject to the Scheme taking effect, terminate the Share Option Scheme.

7. COMPANY'S WARRANTIES

- 7.1 Except as set out in the Disclosure, the Company warrants to the Offeror on the terms set out in the Company's Warranties as at the date of this Agreement, the Despatch Date and the Effective Date, by reference to the facts and circumstances existing at such dates. For this purpose only, where in a Company's Warranty there is an express or implied reference to the "date of this Agreement", that reference is also to be construed as a reference to the Despatch Date or the Effective Date (as the case may be).
- 7.2 Each of the Company's Warranties shall be construed as a separate and independent warranty and (save where expressly provided to the contrary) shall not be limited or restricted by reference to, or inference from the terms of any other term of this Agreement or any other Company's Warranty.
- 7.3 The Company, to the extent permissible under Applicable Laws, shall disclose as soon as reasonably practicable to the Offeror in writing upon becoming aware of any matter, event or circumstance (including any omission to act) arising or becoming known to the Company after the date of this Agreement up to and including the Effective Date which constitutes a breach of any of the Company's Warranties if given at any time up to and including the Effective Date or which might make them untrue, inaccurate or misleading.

8. OFFEROR'S WARRANTIES

- 8.1 The Offeror warrants to the Company the Offeror Warranties as set out in **Schedule 3** to this Agreement as at the date of this Agreement, the Despatch Date and the Effective Date, by reference to the facts and circumstances existing at such dates. For this purpose only, where in an Offeror's Warranty there is an express or implied reference to the "date of this Agreement", that

reference is also to be construed as a reference to the Despatch Date or the Effective Date (as the case may be).

- 8.2 Each of the Offeror's Warranties shall be construed as a separate and independent warranty and (save where expressly provided to the contrary) shall not be limited or restricted by reference to, or inference from the terms of any other term of this Agreement or any other Offeror's Warranty.
- 8.3 The Offeror, to the extent permissible under Applicable Laws, shall disclose as soon as reasonably practicable to the Company in writing upon becoming aware of any matter, event or circumstance (including any omission to act) arising or becoming known to the Offeror after the date of this Agreement up to and including the Effective Date which constitutes a breach of any of the Offeror's Warranties if given at any time up to and including the Effective Date or which might make them untrue, inaccurate or misleading.

9. STOCK EXCHANGE DELISTING

Prior to the Effective Date, the Company shall co-operate with the Offeror and use all reasonable endeavours to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under Applicable Laws to enable the delisting of the Shares from the Stock Exchange as promptly as practicable after the Effective Date.

10. ANNOUNCEMENTS

- 10.1 No announcements (including the Announcement), press releases, public statements, or other communications regarding the subject matter of this Agreement or the transaction contemplated under the Proposal shall be issued by any Party without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed), unless the announcement is required by Applicable Laws, by legal process or by a governmental or regulatory authority (including, without limitation, the SFC and the Stock Exchange), in which case the Party required to make the announcement must, to the extent permitted by Applicable Laws and to the extent reasonably practicable, consult with the other Party first and take into account the other Party's reasonable requirements as to its timing, content and manner of making or despatch. If the Party required to make the announcement is unable to consult with the other Party before the announcement is made, it must inform the other Party of the circumstances, timing, content and manner of making of the announcement immediately after such announcement is made.
- 10.2 Each Party agrees to:
- (a) subject to the provisions in Clause 10.1, the issue of the Announcement, the Scheme Document and any other announcements in relation to the Scheme with references to it and/or its associates and the material terms of this Agreement;
 - (b) comply with any disclosure obligations in accordance with the Listing Rules (if applicable), the Takeovers Code and the SFO; and

- (c) to the extent requested by the Executive, this Agreement and the Scheme Document being made available for display during the offer period for the Scheme.

11. CONFIDENTIALITY

Subject to Clause 10, each Party agrees to keep confidential, and shall not disclose to any person (except to its professional advisers, directors, officers, employees or agents on a need-to-know basis), the existence of this Agreement, the Proposal, or any information relating to the terms of the Proposal or the transactions contemplated by this Agreement or any information provided pursuant to the terms of this Agreement (in each case except for such information which is in the public domain at the time of disclosure) without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed) unless and to the extent:

- (a) required by any Applicable Laws or in connection with a judicial or administrative proceeding;
- (b) pursuant to the requirements of the SFC or the Stock Exchange or any other Authority; or
- (c) pursuant to the written opinion of its external legal counsel that it is required to make such disclosure in order to avoid violating applicable securities laws,

provided that, to the extent legally permissible and reasonably practicable, it shall notify the other Party prior to making any such disclosure, and shall seek to narrow the intended disclosure to the extent that the other Party reasonably so requests. Notwithstanding the foregoing, the Company acknowledges that the disclosure of the existence of this Agreement, the Proposal, or any information relating to the terms of the Proposal or the transactions contemplated by this Agreement or any information provided pursuant to the terms of this Agreement by the Offeror to any financial institution (and its professional advisers, directors, officers, employees or agents on a need-to-know basis) for the purpose of procuring financial resources for the making of the Proposal and the implementation of the Scheme as required under the Takeovers Code shall not be prohibited under this Clause 11 and shall not be regarded as a breach of this Clause 11 by the Offeror.

12. TERMINATION

12.1 Subject to Clauses 12.2 to 12.4 the obligations, consents and agreements of the Parties will (unless the Company and the Offeror otherwise agree in writing) terminate on the earliest to occur of (the “**Termination Date**”):

- (a) the Announcement failing to be published in accordance with Clause 2.1;

- (b) the Pre-Condition failing to be satisfied by the Pre-Condition Long Stop Date;
- (c) the Proposal and the Scheme not being implemented by the Long Stop Date;
- (d) the Scheme not being approved at the Court Meeting;
- (e) the Resolutions not being approved at the EGM; and
- (f) the Scheme not being sanctioned by the Grand Court at the Sanction Hearing.

12.2 The Offeror shall be entitled to apply to the Executive to withdraw the Scheme and subject to such approval, to terminate this Agreement if any of the following occurs:

- (a) failure to fulfil the Conditions (which cannot be waived in accordance with the terms of the Announcement) by the Long Stop Date;
- (b) failure to obtain written consents or waivers (as the case may be) in respect of any agreement or arrangement entered into by a member of the Group which is in force as at the date of this Agreement by the Effective Date: (i) which contains a change of control provision, requirement for the Company to remain listed on the Stock Exchange and/or restriction on changes in key management of any member of the Group (the “**Restrictions**”); or (ii) which contains a negative pledge covenant that has been breached pursuant to the grant of security pursuant to a facility entered into with commercial banks;
- (c) occurrence of the Prescribed Occurrence in each case other than as required or contemplated by this Agreement, the Scheme or the Transaction;
- (d) breach of the Company’s Warranties which are material in the context of the Scheme as at the date of this Agreement, the Despatch Date, and the Effective Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date));
- (e) breach of the Deed of Indemnity which are material in the context of the Scheme; or
- (f) occurrence of any event which would have a Material Adverse Effect.

Such termination shall be effected by the Offeror serving notice in writing of such termination on the Company.

12.3 The Offeror may terminate this Agreement by serving notice in writing on the Company if the recommendation of the Board of Directors of the Company

contained in the Announcement or the Scheme Document is withdrawn at any time prior to the Grand Court's sanction of the Scheme.

- 12.4 Subject to compliance with the Takeovers Code and consultation with the Executive, if the Proposal and the Scheme are not implemented as a result of the Company's acceptance of an Alternative Proposal, the Company shall, within five Business Days of the written notice of the Offeror, reimburse and pay the Offeror an amount which represents the lower of (a) all costs, expenses and fees incurred by the Offeror in relation to the preparation for and implementation of the Proposal and the Scheme, including but not limited to, all professional fees incurred for the due diligence on the Group and the valuation of the Group; and (b) 30% of the offer value under the Scheme allowed under the Takeovers Code. The Offeror shall provide to the Company copies of all invoices, bills, receipts in relation to the preparation for and implementation of the Proposal and the Scheme at the time of service of the aforementioned written notice.
- 12.5 If this Agreement (or any Clause of this Agreement) terminates or is terminated, then each Party's rights and obligations hereunder (or thereunder, as the case may be) will terminate immediately, subject to the following:
- (a) termination of this Agreement (or any Clause of this Agreement) does not affect a Party's accrued rights and obligations hereunder (or thereunder, as the case may be) at the time of termination; and
 - (b) Clauses 1 and 10 to 16 (inclusive) will survive termination.

13. COSTS

The Parties agree that subject to Rule 2.3 of the Takeovers Code:

- (a) if the Proposal and the Scheme are implemented or are not implemented as a result of termination of the Proposal and the Scheme in circumstances set out in Clause 12, each Party shall bear and pay its own costs (including professional fees of the respective advisers appointed by each Party) in connection with the implementation or proposed implementation of the Proposal and the Scheme, including but not limited to all costs relating to the preparation, translation, publication, issuance and filing of the Announcement, the Scheme Document and this Agreement or documents relating to general meeting of the Shareholders to be convened in connection with the Proposal and the Scheme, the Court Meeting and the Sanction Hearing; and
- (b) all costs relating to any rulings sought and any vetting fees payable to the SFC for the clearance of the Scheme Document shall be borne by the Offeror.

14. NOTICES

- 14.1 A notice under or in connection with this Agreement (a "**Notice**"):

- (a) must be in writing and in English language; and
- (b) must be delivered personally or sent by courier or by email to the Party due to receive the Notice to the address specified in Clause 14.2 or to an alternative address, person or email address specified by that receiving Party by written notice to the notifying Party received before the Notice was despatched.

14.2 The addresses referred to in Clause 14.1(b) are:

- (a) in the case of the Company:

Address: Lot P.T. 14274, Jalan SUB, Persiaran Tengku Ampuan,
40400 Shah Alam, Selangor Darul Ehsan, Malaysia
Email: ysng@channelsystemsasia.com.my

Attention: Mr. Ng Yew Sum

and

- (b) in the case of the Offeror:

Address: 27/F, Alexandra House, 18 Chater Road, Central, Hong
Kong
Email: weekeong.yap@mayairgroup.com

Attention: Mr. Yap Wee Keong

14.3 A Notice is deemed given if:

- (a) delivered personally, on delivery at the address referred to in Clause 14.1(b);
- (b) sent by a recognised international courier, three (3) Business Days after posting it; and
- (c) sent by email, at the time the email enters into and is accepted by the electronic mail server of the recipient.

15. GENERAL

15.1 The obligations, consents and agreements of the Parties hereunder shall be subject to and shall not prevent any Party from discharging its obligations under the Takeovers Code and the Listing Rules.

15.2 This Agreement constitutes the whole and only agreement between the Parties relating to the subject matter of this Agreement. Nothing in this Clause 15 shall have the effect of limiting or restricting the liability of any Party arising as a result of any fraud.

- 15.3 This Agreement may be executed in any number of counterparts but shall not be effective until each Party has executed at least one (1) counterpart. Each counterpart shall constitute an original of this Agreement, but all of the counterparts shall together constitute one (1) and the same instrument.
- 15.4 No Party shall assign, transfer or create any trust in respect of, or purport to assign, transfer or create any trust in respect of, a right or obligation under this Agreement.
- 15.5 Except as otherwise expressly provided, time is of the essence under this Agreement.
- 15.6 No delay or omission by any Party in exercising any right, power or remedy provided by Applicable Laws or under this Agreement shall affect that right, power or remedy or operate as a waiver of it. The single or partial exercise of any right, power or remedy provided by Applicable Laws or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 15.7 Nothing in this Agreement and no action taken by the Parties shall constitute a partnership, association, joint venture or other co-operative entity between any of the Parties.
- 15.8 A variation of this Agreement is valid only if it is in writing and signed by or on behalf of each Party.
- 15.9 The invalidity, illegality or unenforceability of a provision of this Agreement does not affect or impair the continuation in force of the remainder of this Agreement.
- 15.10 The Parties do not intend that any term of this Agreement shall be enforceable, by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), by any person who is not a party to this Agreement.

16. GOVERNING LAW; DISPUTE RESOLUTION

- 16.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.
- 16.2 Any dispute, controversy or claim arising out of or relating to this Agreement, including the validity, invalidity, breach or termination thereof, shall be settled by arbitration in Hong Kong at the Hong Kong International Arbitration Centre under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.
- 16.3 The number of arbitrator shall be one (1). The arbitration proceedings shall be conducted in the English language.
- 16.4 The arbitral award shall be final and binding on the parties to the arbitration. The parties to the arbitration agree to be bound by and to act in accordance with the arbitral award. Unless otherwise specified in the arbitral award, the

expenses of the arbitration (including witness fees and reasonable legal expenses) shall be borne by the losing party.

16.5 Process by which any proceedings are begun may be served on each Party by being served to the addresses set forth in Clause 14.2.

16.6 If a dispute arises under this Agreement which appears to raise common issues of law or fact with a dispute under the Deed of Indemnity, then the Parties to this Agreement agree that the disputes will be consolidated with the tribunal first appointed as the tribunal for the consolidated proceedings.

**SCHEDULE 1
ANNOUNCEMENT**

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or the Company nor is it a solicitation of any vote or approval in any jurisdiction.

This joint announcement is not for release, publication or distribution, in whole or in part, in, into or from any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.



MayAir HK Holdings Limited

(Incorporated in Hong Kong with limited liability)

CM Hi-Tech Cleanroom Limited

捷芯隆高科潔淨系統有限公司

(Incorporated in the Cayman Islands with members' limited liability)

(Stock Code: 2115)

JOINT ANNOUNCEMENT

**(1) PRE-CONDITIONAL PROPOSAL FOR THE PRIVATISATION OF
CM HI-TECH CLEANROOM LIMITED
BY MAYAIR HK HOLDINGS LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT)**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
CM HI-TECH CLEANROOM LIMITED**

(3) SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

(4) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

(5) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

AND

(6) RESUMPTION OF TRADING IN THE SHARES

Joint Financial Advisers to the Offeror



ALTUS CAPITAL LIMITED

Independent Financial Adviser to the Independent Board Committee



SCHEME OF ARRANGEMENT

The respective directors of the Offeror and the Company jointly announce that on [*] October 2024, the Offeror and the Company have entered into the Implementation Agreement pursuant to which the parties have agreed to use all reasonable endeavours to implement the Proposal to be put forward to the holders of Scheme Shares for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, subject to the satisfaction of the Pre-Conditions and satisfaction or waiver of the Conditions, as applicable, involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date, and the withdrawal of the listing of the Shares on the Stock Exchange.

Under the Scheme, the Scheme Shares will be cancelled in exchange for HK\$0.25 in cash for each Scheme Share. The Rollover Shares will not form part of the Scheme Shares and will not be cancelled. After the Scheme becoming effective, pursuant to the Rollover Agreement, the Rollover Shares will be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid so that the Rollover Shareholders will retain their interest in the Group through the Offeror.

Upon the completion of the Scheme and the transfers of the Rollover Shares pursuant to the Rollover Agreement, the Company will become wholly-owned by the Offeror.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Announcement Date, the Company has no declared but unpaid dividends and/or other distribution and/or other return of capital.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Cancellation Price of HK\$0.25 represents:

- a premium of approximately 25.0% over the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- various premiums ranging between 23.8% and 41.2% over the average closing prices of Shares based on the daily closing prices as quoted on the Stock Exchange for 5, 30, 60, 120 and 180 trading days up to and including the Last Trading Day; and
- a discount of approximately 1.6% and 4.8% to the Group's net asset value attributable to the Shareholders of approximately HK\$0.2540 per Share (audited) and HK\$0.2627 per Share (unaudited) as at 31 December 2023 and 30 June 2024 respectively.

The making of the Proposal, and the implementation of the Scheme will be, subject to the satisfaction of the Pre-Conditions on or prior to the Pre-Conditions Long Stop Date. The Pre-Conditions cannot be waived. All references to the Scheme in this joint announcement are references to the possible Scheme which will be implemented if and only if, the Pre-Conditions are satisfied. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Proposal would not be made and the Shareholders will be notified by a further announcement as soon as practicable thereafter. The implementation of the Proposal and the Scheme will be conditional upon the fulfilment or waiver, as applicable, of all the Conditions as described in the section headed “Conditions of the Proposal” below. All of the Conditions must be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

FINANCIAL RESOURCES

Taking into account that the Rollover Shares will not constitute Scheme Shares, and on the assumption that there is no other change in the issued share capital of the Company and no Share Options will be granted by the Company on or before the Record Date, the Proposal will involve the cancellation of 957,473,450 Scheme Shares, in exchange for the Cancellation Price of HK\$0.25 per Scheme Share in cash. Therefore, the maximum amount of cash consideration payable under the Proposal would be approximately HK\$239,368,362.50.

The Offeror intends to finance the cash requirement for the Proposal through internal resources of MayAir Technology and external debt financing available to the Offeror.

Altus and CMBC, the joint financial advisers to the Offeror in connection with the Proposal, are satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the cash consideration payable under the Proposal.

SPECIAL DEAL RELATING TO ROLLOVER ARRANGEMENT

The Offeror proposes that the Rollover Shareholders retain their respective interest in the Company through shareholding in the Offeror after the Scheme becomes effective.

As at the Announcement Date, the Rollover Shareholders (being concert parties of the Offeror) hold in aggregate 442,526,550 Shares, representing approximately 31.61% of the issued share capital of the Company. After the Scheme becomes effective, the Rollover Shares will be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid so that the Rollover Shareholders will retain their interest in the Group through the Offeror.

The Offeror is of the view that the Rollover Shareholders have been working with the Group in their respective managerial positions for a long time, and have the industry experience and expertise which will continue to benefit the development of the Group. It is therefore important for the Company to retain each Rollover Shareholder as a member of the management team of the Group and retain their interest in the Group through the Offeror after completion of the Scheme so that their interests are aligned with the Company and the Offeror, and they can and will continue to contribute to the development of the Group.

As part of the Proposal, the Offeror and the Rollover Shareholders have entered into the Rollover Arrangement comprising: (i) the Rollover Agreement; (ii) the Share Swap Agreement; (iii) the Deed of Indemnity; and (iv) the Shareholders’ Agreement, pursuant to which:

- (a) subject to the fulfillment of conditions of the Rollover Agreement, the Shares held by the Rollover Shareholders (i) will not form part of the Scheme Shares under the Scheme, and the Rollover Shareholders are not entitled to vote on the Scheme at the Court Meeting; and (ii) will not be cancelled and extinguished when the Scheme becomes effective, and accordingly the Rollover Shareholders will remain as the Shareholders after the Scheme becomes effective; and
- (b) after the Scheme becoming effective, the Rollover Shares will then be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid. After completion of the Scheme and the transfers of the Rollover Shares, the Rollover Shareholders will, through the Offeror, hold an indirect interest in the Company.

As the Rollover Arrangement contains special arrangements not offered to all Shareholders, the Rollover Arrangement constitutes a special deal and requires the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will make an application for consent from the Executive in relation to the Rollover Arrangement conditional on the Independent Financial Adviser confirming to the Independent Board Committee that the Rollover Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned and the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Arrangement. Accordingly, as set out in Condition (f), the Proposal and the Scheme are subject to (i) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee confirming that the Rollover Arrangement is fair and reasonable as far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive to the Rollover Arrangement.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all the independent non-executive Directors, namely, Mr. Ng Seng Leong, Mr. Martin Giles Manen and Mr. Wu Chun Sing, has been established by the Board to make a recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser to the Disinterested Shareholders as to whether the Proposal, the Scheme and the Rollover Arrangement are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

INDEPENDENT FINANCIAL ADVISER

The Board, with the approval of the Independent Board Committee, has appointed Quam Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement pursuant to Rule 2.1 of the Takeovers Code.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and any share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules with effect immediately following the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others: (i) further details of the Proposal, the Scheme and the Rollover Arrangement; (ii) the expected timetable in relation to the Proposal and the Scheme; (iii) an explanatory memorandum as required under the Companies Act and the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rollover Arrangement, and the letter of advice from the Independent Financial Adviser; and (vi) a notice of the Court Meeting and a notice of the EGM, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable after the satisfaction of the Pre-Conditions and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

TRADING HALT AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 8 October 2024 pending the release of this joint announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on [*] October 2024.

WARNINGS:

The making of the Proposal is subject to the satisfaction of the Pre-Conditions. Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (including the approval of the Rollover Arrangement as a special deal under Rule 25 of the Takeovers Code), as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval, rejection or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas shareholders will be contained in the Scheme Document.

NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a company incorporated in the Cayman Islands by means of a scheme of arrangement provided for under the laws of the Cayman Islands and is subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of his Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Proposal or the Scheme, or determined if this joint announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States. This joint announcement is not intended to, and does not, constitute, or form part of, an offer or invitation to purchase or subscribe for any securities of the Company in the United States.

Financial information disclosed in respect of the Proposal and the Scheme has been or will have been prepared in accordance with non-U.S. accounting standards that may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States

INTRODUCTION

On [*] October 2024, the Offeror and the Company have entered into the Implementation Agreement pursuant to which the parties have agreed to use all reasonable endeavours to implement the Proposal to be put forward to the holders of Scheme Shares for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act, subject to the satisfaction of the Pre-Conditions and satisfaction or waiver of the Conditions, as applicable, involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) following the Effective Date, and the withdrawal of the listing of the Shares on the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the Scheme Shares will, on the Effective Date, be cancelled and extinguished. Contemporaneously with such cancellation and extinguishment, the share capital of the Company will be increased and restored by the issuance at par to the Offeror, credited as fully paid, of the aggregate number of Shares as is equal to the number of Scheme Shares cancelled pursuant to the Scheme. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

The Rollover Shares will not form part of the Scheme Shares and will not be cancelled. After the Scheme becoming effective, pursuant to the Rollover Agreement, the Rollover Shares will be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid so that the Rollover Shareholders will retain their interest in the Group through the Offeror.

Upon the completion of the Scheme and the transfers of the Rollover Shares pursuant to the Rollover Agreement, the Company will become wholly-owned by the Offeror.

TERMS OF THE PRE-CONDITIONAL PROPOSAL

Subject to the satisfaction of the Pre-Conditions, the Proposal will be implemented by way of the Scheme.

The Scheme

Under the Scheme, the Scheme Shares will be cancelled in exchange for HK\$0.25 in cash for each Scheme Share. Under the Scheme, the total consideration payable for cancellation of the Scheme Shares will be paid by the Offeror.

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital before the Long Stop Date or the lapse, withdrawal or termination of the Scheme (whichever is earlier). As at the Announcement Date, the Company has no declared but unpaid dividends and/or other distribution and/or other return of capital.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Comparison of Value

The Cancellation Price of HK\$0.25 represents:

- a premium of approximately 25.0% over the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 23.8% over the average closing price of approximately HK\$0.202 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 30.2% over the average closing price of approximately HK\$0.192 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 39.7% over the average closing price of approximately HK\$0.179 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 41.2% over the average closing price of approximately HK\$0.177 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Day;
- a premium of approximately 38.1% over the average closing price of approximately HK\$0.181 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day;
- a discount of approximately 1.6% to the Group's net asset value attributable to the Shareholders of approximately HK\$0.2540 per Share pursuant to the latest audited consolidated financial statements of the Company as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to the Shareholders of RMB322,236,000 (based on the exchange rate of HK\$1: RMB0.90622, the central parity rate published by the People's Bank of China on its website as at 29 December 2023 for illustrative purposes) as at 31 December 2023 and the Shares in issue as at the Announcement Date;
- a discount of approximately 4.8% to the Group's net asset value attributable to the Shareholders of approximately HK\$0.2627 per Share pursuant to the latest unaudited consolidated financial statements of the Company as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB335,670,000 (based on the exchange rate of HK\$1: RMB0.91268, the central parity rate published by the People's Bank of China on its website as at 28 June 2024 for illustrative purposes) as at 30 June 2024 and the Shares in issue as at the Announcement Date; and
- a discount of approximately 3.2% to the Group's adjusted net asset value attributable to the Shareholders of HK\$0.2583 per Share, pursuant to the latest unaudited consolidated financial statements of the Company as at 30 June 2024, calculated based on the unaudited consolidated net asset value attributable to the Shareholders of RMB335,670,000 (based on the exchange rate of HK\$1: RMB0.91268, the central parity rate published by the People's Bank of China on

its website as at 28 June 2024 for illustrative purposes) as at 30 June 2024 and the Shares in issue as at the Announcement Date, adjusted with reference to the interim dividend declared and paid of HK\$0.0044 per Share.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account the historical prices and trading volume of the Shares on the Stock Exchange, net asset value per Share and recent financial performance of the Company.

Highest and Lowest Prices

During the six-month period immediately up to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.212 on 7 October 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.156 on 27 June 2024.

Total Consideration and Financial Resources

Taking into account that the Rollover Shares will not constitute Scheme Shares, and on the assumption that there is no other change in the issued share capital of the Company and no Share Options will be granted by the Company on or before the Record Date, the Proposal will involve the cancellation of 957,473,450 Scheme Shares, in exchange for the Cancellation Price of HK\$0.25 per Scheme Share in cash. Therefore, the maximum amount of cash consideration payable under the Proposal would be approximately HK\$239,368,362.50.

The Offeror intends to finance the cash requirement for the Proposal through internal resources of MayAir Technology and external debt financing available to the Offeror.

Altus and CMBC, the joint financial advisers to the Offeror in connection with the Proposal, are satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the cash consideration payable under the Proposal.

PRE-CONDITIONS TO THE MAKING OF THE PROPOSAL

The making of the Proposal and completion of the Scheme are conditional upon the following Pre-Conditions having been satisfied on or prior to the Pre-Conditions Long Stop Date:

- (a) all necessary internal decision-making procedures and approval and filing procedures in respect of the transactions contemplated under the Proposal having been completed by MayAir Technology, being (i) the approval of the board of directors of MayAir Technology; and (ii) the approval of the general meeting of the shareholders of MayAir Technology; and
- (b) with respect to the applicable outbound direct investment laws and regulations, all relevant approvals, registrations, filings, reports (as the case may be), have been obtained from, completed with and/or made to (as the case may be): (i) the National Development and Reform Commission of the PRC; (ii) the Ministry of Commerce of the PRC; and (iii) the State Administration of Foreign Exchange of the PRC, or the respective local authorities or delegates or institutions authorised by each of (i) to (iii).

The Pre-Conditions cannot be waived. Further announcement(s) will be made as soon as practicable after all of the Pre-Conditions have been satisfied. All references to the Scheme in this announcement are references to the possible Scheme which will be implemented if and only if, the Pre-Conditions are satisfied. If any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date, the Proposal would not be made and the Shareholders will be notified by a further announcement as soon as practicable thereafter.

As at the Announcement Date, save for the approval of the board of directors of MayAir Technology under paragraph (a)(i), none of the other Pre-Conditions has been satisfied.

CONDITIONS OF THE PROPOSAL

Upon satisfaction of the Pre-Conditions, the implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders, representing not less than 75% in value of the Scheme Shares held by the holders of the Scheme Shares present and voting either in person or by proxy at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) by Disinterested Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Disinterested Shareholders that are voted either in person or by proxy at the Court Meeting, provided that the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all Disinterested Shareholders;
- (c) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at an extraordinary general meeting of the Company to (i) approve and give effect to any reduction of the share capital of the Company on the Effective Date as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith increase and restore the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modifications) and, to the extent necessary, its confirmation of any reduction of the share capital of the Company, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of, and minutes approved by, the Grand Court for registration;
- (e) compliance, to the extent necessary, with the applicable procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company;
- (f) (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement;
- (g) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal having been obtained from, given by or made with (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and any other relevant jurisdictions;

- (h) all necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals in connection with the Proposal remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (i) all necessary consents which may be required for the implementation of the Proposal and the Scheme under any existing contractual obligations of the Company having been obtained or waived by the relevant party(ies), where any failure to obtain such consent or waiver would have a material adverse effect on the business of the Group;
- (j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted, made or proposed, issued, enforced or imposed (including without limitation through interpreting, amending, restating or supplementing) any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries that would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme; and
- (k) since the Announcement Date, there having been no adverse change in the business, assets, prospects, profits, losses, results of operations, financial position or condition of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme).

The Offeror reserves the right to waive conditions (g), (h), (i), (j) and (k) either in whole or in part, either generally or in respect of any particular matter. Conditions (a) to (f) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. The Company has no right to waive any of the Conditions.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

In respect of Conditions (g) and (h), as at the Announcement Date, other than those set out in Conditions (a) to (f) (inclusive), the Offeror is not aware of any necessary authorisations, registrations, filings, rulings, consents, opinions, permissions and approvals required for the Proposal. As at the Announcement Date, the Offeror is not aware of any circumstances which may result in Conditions (i), (j) and (k) not being satisfied.

Warning: The making of the Proposal is subject to the satisfaction of the Pre-Conditions. Shareholders and potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived (including the approval of the Rollover Arrangement as a special deal under Rule 25 of the Takeovers Code), as applicable, and thus the Proposal may or may not be implemented, and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares, and the issued share capital of the Company was HK\$14,000,000 divided into 1,400,000,000 Shares. All of the Shares are fully paid and rank pari passu in all respects as regards to rights to capital, dividends and voting. The Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

As at the Announcement Date:

- (a) the Offeror does not hold any Shares;
- (b) the Offeror Concert Parties comprise:
 - (i) the Rollover Shareholders who hold in aggregate 442,526,550 Shares, representing approximately 31.61% of the issued share capital of the Company, being the Rollover Shares, which will not form part of the Scheme Shares; and
 - (ii) the Other Founding Shareholders who hold in aggregate 331,315,150 Shares, representing approximately 23.66% of the issued share capital of the Company, which will form part of the Scheme Shares. These Other Founding Shareholders are acting in concert with Mr. Ng, Mr. Chin and Mr. Law, who are also the Rollover Shareholders. pursuant to the AIC Confirmation where they have confirmed that, among others, they have been acting in concert with each other for the entire duration when all of them were/are contemporaneously either the legal and/or beneficial owners of shares in each of the Group companies, and shall continue to centralise the ultimate control and right to make decisions with respect to their interest in the Group's businesses. Accordingly, the Other Founding Shareholders are acting in concert with the Offeror for the purpose of the Takeovers Code.
- (c) Mr. Ng Seng Leong, an independent non-executive Director, held 70,000 Shares, representing approximately 0.01% of the issued share capital of the Company, which will form part of the Scheme Shares and he will be a Disinterested Shareholders;
- (d) Other Disinterested Shareholders held in aggregate 626,088,300 Shares, representing approximately 44.72% of the issued share capital of the Company, which will form part of the Scheme Shares; and
- (e) the Scheme Shares, comprising 957,473,450 Shares (being the number of Shares in (b)(ii), (c) and (d) above), represent approximately 68.39% of the issued share capital of the Company.

As at the Announcement Date, there were no outstanding options, warrants, derivatives or other securities issued by the Company that carry a right to subscribe for or which were convertible into Shares.

On the assumption that there is no change in shareholdings of the Company, the table below sets out the shareholding structure of the Company as at the Announcement Date and immediately upon completion of the Proposal and the transfers of the Rollover Shares pursuant to the Rollover Agreement, and assuming there is no other change in shareholding of the Company before completion of the Proposal:

Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal and transfers of the Rollover Shares	
	Number of Shares	%	Number of Shares	%
Offeror	-	-	1,400,000,000	100.00
Offeror Concert Parties				
<i>Shares held not subject to the Scheme</i>				
Rollover Shareholders (Note 1)	442,526,550	31.61	-	-
<i>Shares held subject to the Scheme</i>				
Mr. Francis Chia	150,803,100	10.77	-	-
Mong Tet (Note 2)				
Mr. Ng Boon Hock (Note 2)	54,129,750	3.86	-	-
Mr. Chang Chin Sia (Note 2)	40,019,750	2.86	-	-
Ms. Yap Chui Fan (Note 2)	37,911,600	2.71	-	-
Mr. Lim Kai Seng (Note 2)	36,877,050	2.63	-	-
Mr. Phang Chee Kin (Note 2)	6,466,950	0.46	-	-
Mr. Loh Wei Loon (Note 2)	5,106,950	0.36	-	-
<i>Subtotal</i>	331,315,150	23.66	-	-
Aggregate number of Shares of the Offeror and the Offeror Concert Parties	773,841,700	55.27	1,400,000,000 <i>(Note 4)</i>	100.00
Disinterested Shareholders				
Director - Mr. Ng Seng Leong (Note 3)	70,000	0.01	-	-
Other Disinterested Shareholders	626,088,300	44.72	-	-
Aggregate number of Shares of the Disinterested Shareholders	626,158,300	44.73	-	-
Total number of Shares in issue	1,400,000,000	100.00	1,400,000,000	100.00
Total number of Scheme Shares	957,473,450 (Note 5)	68.39	-	-

Notes:

1. The Rollover Shareholders are acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Rollover Arrangement. The Shares in which the Rollover Shareholders are interested will not form part of the Scheme Shares and will not be cancelled.
2. Pursuant to the AIC Confirmation, the Other Founding Shareholders are acting in concert with Mr. Ng, Mr. Chin and Mr. Law, who are also the Rollover Shareholders. Accordingly, the Other Founding Shareholders are acting in concert with the Offeror for the purpose of the Takeovers Code. However, the Shares in which the Other Founding Shareholders are interested will form part of the Scheme Shares and will be cancelled.
3. Mr. Ng Seng Leong, an independent non-executive Director, held 70,000 Shares as at the Announcement Date. Mr. Ng Seng Leong is not acting in concert with the Offeror.
4. On the assumption that there is no other change in the shareholding of the Company before completion of the Proposal. Under the Scheme, the Scheme Shares will be cancelled and extinguished, and contemporaneously with such cancellation and extinguishment, the share capital of the Company will be increased and restored by the issuance at par to the Offeror, credited as fully paid, of the same number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.
5. Scheme Shares are the Shares held by the Shareholders, other than the Rollover Shares.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

Implementation Agreement

On [*] October 2024, the Offeror, and the Company entered into the Implementation Agreement, pursuant to which the parties have agreed to use all reasonable endeavours to do all such things within their power to implement the Proposal, subject to the satisfaction of the Pre-Conditions and satisfaction or waiver of the Conditions, as applicable, and cooperate to obtain all approvals required in connection with the Proposal.

Under the Implementation Agreement, the Company has undertaken to the Offeror to:

- (a) use all reasonable endeavours to implement the Scheme; and
- (b) procure that, prior to the earlier of the Effective Date and termination of the Implementation Agreement, unless otherwise approved by the Shareholders in a general meeting in accordance with Rule 4 of the Takeovers Code, the Group shall not take certain actions, including (amongst others):
 - (i) carrying on its business other than in the ordinary and usual course;
 - (ii) issuing, authorising or proposing the issue of any securities or making any change to its share capital, other than in respect of wholly-owned member of the Group or pursuant to the terms of any shareholders' agreement governing any member of the Group;
 - (iii) in respect of the Company only, recommending, proposing, declaring, paying or making any bonus issue, dividend or other distribution;
 - (iv) entering into any merger or acquiring or disposing of any material assets;
 - (v) incurring any indebtedness or creating any encumbrance, other than in the ordinary and usual course of business;
 - (vi) creating or agreeing to create any encumbrance over its business or any asset except in the ordinary and usual course of business of the Group; or

- (vii) transferring or assigning to any third party any intellectual property which it owns or has the right of use as at the date of the Implementation Agreement as well as any other intellectual property which it subsequently acquires or obtains the right of use of.

The Company has further undertaken, amongst other things, that it will not, and will procure that no member of the Group shall, directly or indirectly:

- (a) solicit, encourage, or otherwise seek to procure the submission of proposals, indications of interests or offers of any kind which are reasonably likely to lead to an alternative offer from any person other than the Offeror; and
- (b) enter into, or participate in, any discussions or negotiations (other than responding to unsolicited enquiries) with any such person in relation to an alternative offer or provide any due diligence information on the Company and the Group to any third party in connection therewith, save to the extent that, based on the written advice of external legal counsel:
 - (i) the Board reasonably considers that they are likely to be in breach of their directors' duties or statutory duties not to do so; or
 - (ii) they are required to do so under Rule 6 of the Takeovers Code or other applicable laws.

Nothing in the Implementation Agreement is intended to prevent or deprive:

- (a) the Shareholders from having the opportunity to consider; or
- (b) the Company from considering, in each case, any unsolicited alternative offers, proposals or transactions in respect of, or for, the issued ordinary share capital or assets or undertakings (whether the whole or a substantial part) of the Company or the Group from any person other than the Offeror.

The Implementation Agreement will be terminated if the Scheme is not approved or the Proposal otherwise lapses or is withdrawn.

Special deal relating to the Rollover Arrangement

The Offeror proposes that the Rollover Shareholders retain their respective interest in the Company through shareholding in the Offeror after the Scheme becomes effective. As part of the Proposal, the Offeror and the Rollover Shareholders have entered into the Rollover Arrangement comprising: (i) the Rollover Agreement; (ii) the Share Swap Agreement; (iii) the Deed of Indemnity; and (iv) the Shareholders' Agreement, pursuant to which after the Scheme becomes effective, the Rollover Shares will be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid so that the Rollover Shareholders will retain their interest in the Group through the Offeror. The Rollover Shareholders, in aggregate, held 442,526,550 Shares (representing approximately 31.61% of the issued share capital of the Company) as at the Announcement Date. Accordingly, the Rollover Shares will not form part of the Scheme Shares.

Information on the Rollover Shareholders

No.	Name	Position	Major responsibilities and contributions to the Group	Number of Shares held	Shareholding percentage (%)
1.	Mr. Ng Yew Sum	Executive Director,	Mr. Ng Yew Sum joined the Group in January 1990. He is	340,028,550	24.29

		Chairman of the Board and director of all of subsidiaries of the Group	primarily responsible for overseeing the business operation as well as business development and strategy of the Group.		
2.	Mr. Law Eng Hock	Executive Director, General Manager of China operation of the Group	Mr. Law Eng Hock joined the Group in September 2001 and was primarily responsible for overseeing the overall operations in sales and marketing, engineering as well as manufacturing.	60,040,050	4.29
3.	Mr. Chin Sze Kee	Executive Director and director of certain subsidiaries of the Group	Mr. Chin Sze Kee joined the Group in March 2001 and was primarily responsible for overseeing the overall operations in sales and marketing, engineering as well as the manufacturing operations of the Group in Malaysia.	37,091,850	2.65
4.	Mr. Luah Kok Lam	General Manager (Overseas Operations)	Mr. Luah Kok Lam joined the Group in January 2007 and was primarily responsible for overseeing the overseas business development and marketing of the Group.	5,366,100	0.38

The Offeror is of the view that the Rollover Shareholders have been working with the Group in their respective managerial positions for a long time, and have the industry experience and expertise which will continue to benefit the development of the Group. It is therefore important for the Company to retain each Rollover Shareholder as a member of the management team of the Group and retain their interest in the Group through the Offeror after completion of the Scheme so that their interests are aligned with the Company and the Offeror, and they can and will continue to contribute to the development of the Group.

The following sets out further details of the Rollover Arrangement:

(i) The Rollover Agreement

On [*] October 2024, the Offeror and the Rollover Shareholders entered into the Rollover Agreement, pursuant to which:

- (c) subject to the fulfillment of conditions of the Rollover Agreement, the Shares held by the Rollover Shareholders (i) will not form part of the Scheme Shares under the Scheme and will not be voted on the Scheme at the Court Meeting; and (ii) will not be cancelled and extinguished when the Scheme becomes effective, and accordingly the Rollover Shareholders will remain as the Shareholders after the Scheme becomes effective;
- (d) after the Scheme becoming effective, the Rollover Shares will then be transferred to the Offeror in exchange for such number of shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid. After completion of the Scheme and the transfers of the Rollover Shares, the Rollover Shareholders will, through the Offeror, hold an indirect interest in the Company;

- (e) each of the Rollover Shareholders has undertaken that (i) he will not, directly or indirectly, take any action which will preclude, prejudice, restrict or delay the successful outcome of the Scheme or the Proposal or the withdrawal of listing of Shares on the Stock Exchange or otherwise conflict with or diminish his obligations under the Rollover Agreement; and (ii) subject to compliance with relevant laws and regulations, he will do all such acts and things and execute all such documents as may be reasonably required by the Offeror to give effect to the undertakings contained in the Rollover Agreement;
- (f) each of the Rollover Shareholders has undertaken that, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by him directly on resolutions in relation to the Scheme which such Rollover Shareholders are entitled to vote in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which such Rollover Shareholders are entitled to vote and which are necessary to implement the Scheme proposed at a court meeting and/or a general meeting of the Company, and that he shall be bound by, and take all actions necessary to implement the Scheme; and
- (g) before the Scheme becomes effective, lapses or is withdrawn, the Rollover Shareholders shall not (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by him in the Company; (ii) accept, or give any undertaking (whether conditional or unconditional) to accept, exercise voting rights attached to the Shares held by him to approve or otherwise agree to any offer, scheme of arrangement, merger or other business combination made or proposed to be made in respect of such Shares or disposal of material assets of the Company and its subsidiaries by any person other than pursuant to the Scheme; and (iii) acquire, subscribe for or otherwise deal in the shares, convertible securities, options or other securities of the Company without prior consent of the Offeror.

Pursuant to the Rollover Agreement, the Rollover Shareholders and the Offeror will enter into the Share Swap Agreement, the Deed of Indemnity and the Shareholders' Agreement to implement the Rollover Arrangement.

The Rollover Agreement will be terminated upon the earlier of (i) any of the Pre-Conditions is not satisfied on or before the Pre-Conditions Long Stop Date; (ii) when the Scheme lapses or is withdrawn, terminated, rescinded by the Offeror or is finally dismissed, finally refused or finally rejected by the Grand Court; or (iii) the date as the parties thereto otherwise agree in writing (but without prejudice to any accrued liabilities arising prior to such termination).

Conditions of the Rollover Arrangement

The implementation of the Rollover Arrangement is subject to the fulfillment of the following conditions:

- (a) the receipt of an opinion from the Independent Financial Adviser to the Independent Board Committee that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned;
- (b) the passing of an ordinary resolution by the Disinterested Shareholders at the EGM to approve, among others, the Rollover Arrangement;
- (c) the Scheme becoming effective; and

- (d) the grant of consent from the Executive in respect of the Rollover Arrangement pursuant to note 3 to Rule 25 of the Takeovers Code.

(ii) *The Share Swap Agreement*

On [*] October 2024, the Rollover Shareholders and the Offeror entered into the Share Swap Agreement, which shall take effect after the Scheme becoming effective, pursuant to which the Rollover Shareholders will, after the Effective Date, transfer the Rollover Shares, free from all encumbrances and together with all rights that attach (or may in the future attach) to them including, in particular, the right to receive all dividends and distributions declared, made or paid on or after the completion date, at the consideration being equivalent to the Cancellation Price per Rollover Share, to the Offeror, in exchange for the allotment and issuance of such number of new shares to be issued by the Offeror (representing approximately 31.61% of the issued and paid-up share capital of the Offeror) to the Rollover Shareholders credited as fully paid, so that the shareholding of the Rollover Shareholders in the Offeror after the share swap mirrors their shareholding in the Company prior to the Effective Date. The Share Swap Agreement contains certain indemnity by the Rollover Shareholders in favour of the Offeror for breach of certain warranties on, among other things, corporate matters, accounts and taxation matters of the Group as at the Effective Date.

Upon completion of the Share Swap Agreement, the Rollover Shareholders and MayAir Technology will hold direct interests in the Offeror as to approximately 31.61% and 68.39%, respectively. Accordingly, the Rollover Shareholders will, through the Offeror, hold an indirect interest in the Company.

(iii) *The Deed of Indemnity*

In consideration of the Proposal put forth by the Offeror and the entering into of the Rollover Arrangement by the Offeror, on [*] October 2024, the Rollover Shareholders executed the Deed of Indemnity in favour of the Offeror regarding, among other things, (i) certain warranties on, among other things, corporate matters, accounts and taxation matters of the Group as at the date of the Deed of Indemnity and as at the Effective Date; and (ii) undertakings to (a) vote in favour of all matters necessary for the implementation of the Scheme at the EGM except for matters which the Rollover Shareholders are required to abstain from voting, including the Rollover Arrangement; (b) not to dispose of any Shares held or accept any other offer to acquire such Shares; and (c) not to solicit any person other than the Offeror to make a proposal competing to the Proposal provided that this shall not prevent the Rollover Shareholders from responding to any unsolicited proposals from any person to the extent such response is necessary to comply with the directions, rulings, notices or orders of any relevant governmental authority and any applicable laws.

(iv) *The Shareholders' Agreement*

On [*] October 2024, the Rollover Shareholders and the Offeror entered into the Shareholders' Agreement, which shall take effect after the completion of the Share Swap Agreement (being after the Effective Date), in respect of the governance of the Offeror. A summary of the key terms of the Shareholders' Agreement is set out below:

- (a) **Board composition.** The board of directors of the Offeror shall comprise not more than three directors: (i) two of which shall be directors nominated by MayAir Technology; and (ii) one of which shall be a director nominated by the Rollover Shareholders for so long as the Rollover Shareholders in aggregate hold no less than 10% of the total number of Offeror shares, one of whom shall be Mr. Ng.
- (b) **Funding.** All further financial requirements of the Group shall be funded by external borrowings and/or shareholders' loan from MayAir Technology (on such terms as may be

determined by the board of directors of the Offeror). The lending shareholder shall be entitled to charge a reasonable rate of interest under the prevailing market interest rate.

- (c) **Reserved matters.** No reserved matters may be approved, carried out, taken or implemented by the Offeror unless duly approved by the board of directors of the Offeror or the unanimous consent of all shareholders of the Offeror, as the case maybe.

Such reserved matters to be approved with unanimous affirmative vote of the board of directors of the Offeror include, among other things: (i) making any borrowing other than borrowings from its bankers agreed in the approved annual budget; (ii) making any material changes to annual budget; (iii) entering into employment contracts with payment of remuneration in excess of HK\$500,000 or its equivalent per annum but below HK\$2,000,000 or its equivalent per annum or increasing the remuneration of any single person to a rate up to HK\$300,000 per annum; (iv) making any loan or granting any credit or giving any guarantee or indemnity otherwise than in the ordinary course of business; (v) incurring of capital and operating expenditure, other than as approved in the annual budget up to HK\$2,000,000 or its equivalent in any twelve month period; or (vi) entering into any related party transactions with any directors or key management of any members of the Group and/or shareholders of the Offeror.

Such reserved matters to be approved with 90% majority votes of shareholders of the Offeror include, among other things: (i) permitting the registration of any person as a shareholder of the Offeror other than any permitted transferees or the sale or transfer of any shares in the Offeror to any person not being an existing shareholder of the Offeror; (ii) entering into employment contracts with payment of remuneration in excess of HK\$2,000,000 or its equivalent per annum or increasing the remuneration of any single person to a rate in excess of HK\$300,000 or its equivalent per annum; (iii) instituting legal proceedings or settling or compromising any legal proceedings exceeding HK\$200,000 or its equivalent; (iv) changing the auditors of any members of the Group or its financial year end; (v) forming any subsidiary or acquiring any other company or participating in any partnership or joint venture; (vi) any investment in, leasing, licensing or acquisition or disposition of material assets, properties or businesses or business undertaking exceeding HK\$500,000 or its equivalent per transaction or such transaction which would have a material change in the business of the Group; (vii) increasing or reducing the amount of the Offeror's issued share capital; (viii) liquidation or winding up or undertake any amalgamation, merger, reorganisation, reconstruction or consolidation (including debt restructuring) of any member of the Group, or the taking of any step by such entity or its shareholders for the appointment of a receiver, receiver and manager, judicial manager or like officer or the presentation of any petition or passing of any resolution to put such entity into administration or for the winding up of such entity; or (ix) any merger, acquisition, consolidation or reorganisation of any members of the Group or amalgamating or merging with any other company or business undertaking.

- (d) **Pre-emption rights.** Shareholders of the Offeror shall have a pre-emption right in respect to any future issue of any share. A Shareholder shall be entitled to subscribe for or purchase, pro-rata to its shareholding in the Offeror.
- (e) **Tag-along rights.** In the event that MayAir Technology receives an offer for any part of its shares in the Offeror from a bona fide third party purchaser that MayAir Technology wishes to accept and the Rollover Shareholders elect not to exercise their right of first refusal, the Rollover Shareholders shall have the right to require MayAir Technology to procure the third party purchaser to offer to purchase such number of shares in the Offeror held by the Rollover Shareholders on the same terms and conditions as set out in such offer, provided that the third party purchaser executes a deed of adherence to the Shareholders' Agreement.

- (f) **Transfer restriction.** Save with the prior written consent of MayAir Technology, no Rollover Shareholder shall transfer his shares or any part of his interest in the shares in the Offeror except in accordance with the provisions of the Shareholders' Agreement. If there is a transfer of the shares in the Offeror, the relevant selling Rollover Shareholder shall procure the transferee to enter into a deed of adherence to the Shareholders' Agreement.
- (g) **Non-compete and non-solicit.** Each of the Rollover Shareholders warrants and undertakes to MayAir Technology that he will not, and will procure that all companies, entities, joint venture or partnership the management of which he has control will not, without the written consent of the other shareholders of the Offeror, at any time during a period of three years after the relevant shareholder ceases to be a shareholder of the Offeror, (i) engage in any activities in any countries in competition with the Group's business; (ii) induce or attempt to induce any customer of or supplier to the Group's business to cease or refrain from conducting business with, or to reduce the amount of business conducted with, or to vary adversely the terms upon which it conducts business with the Group, or do any other thing which is reasonably likely to have such an effect; (iii) either on his own account or in conjunction with or on behalf of any person, firm or company, carry on or participate or have an interest in, anywhere in the Territory, any business (other than any investment in any company in which it is a passive investor and has no board representation provided that such interest in the equity share capital therein does not exceed 5 per cent of the total issued equity capital of such company) of a type similar to that of the Group's business (or a part thereof) and/or any business which competes directly or indirectly with the Group's business or carry out any activities detrimental to the business of the Group; and (iv) offer employment to, enter into a contract for the services of, or solicit or otherwise attempt to entice away, any employee of any member of the Group or employ or otherwise engage any person who now is or at any time during one year immediately preceding the relevant shareholder ceases to be a shareholder of the Offeror may have become an employee of any member of the Group and with whom the Rollover Shareholders had contact during his said employment, whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant member of the Group. Such non-compete undertaking does not apply to or restrict the Rollover Shareholders' existing investments in Sum Technic Sdn. Bhd., Sum System Solution Sdn. Bhd., Micronaire Global Sdn. Bhd.; and 本滤环境科技江苏有限公司 (Benew Environmental Technology Co., Ltd.*) and only on the condition that the existing businesses conducted by these companies are not identical to the business of the Group for provision of clean room wall and ceilings.
- (h) **Deadlock or default event.** In the event of a deadlock or an event of default by a shareholder of the Offeror and subject to the procedures as specified in the Shareholders' Agreement, either MayAir Technology or the Rollover Shareholders shall be entitled (but not obliged) to serve a notice requiring the defaulting shareholder to sell all or some of the shares in the Offeror held by him to the non-defaulting shareholder at the deadlock price. The deadlock price is the cost price of the shares in the Offeror as set out in the Share Swap Agreement, being the consideration that the Offeror paid to the Rollover Shareholders to transfer the Rollover Shares to the Offeror at the Cancellation Price per Rollover Share in exchange for allotment and issuance of such number of new shares by the Offeror in its issued and paid-up share capital to the Rollover Shareholders credited as fully paid.
- (i) **Termination.** The Shareholders' Agreement shall terminate (i) upon mutual written agreement of all shareholders of the Offeror; (ii) upon the liquidation or making of an order for the winding-up of the Offeror; or (iii) if all the shares in the Offeror being held beneficially by one shareholder only.

Special Deal and Disinterested Shareholder Approval

As the Rollover Arrangement is not offered to all Shareholders, the Rollover Arrangement constitutes a special deal and require the consent of the Executive under Rule 25 of the Takeovers Code. The Offeror will (before the despatch of the Scheme Document) make an application for consent from the Executive to the Rollover Arrangement conditional on: (i) the Independent Financial Adviser confirming that the Rollover Arrangements are fair and reasonable so far as the Disinterested Shareholders are concerned; and (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangement.

Accordingly, as set out in Condition (f) in the section headed “Conditions of the Proposal”, the Proposal and the Scheme are subject to: (i) the receipt of an opinion from the Independent Financial Adviser confirming that the Rollover Arrangement is fair and reasonable so far as the Disinterested Shareholders are concerned; (ii) the passing of an ordinary resolution by the Disinterested Shareholders at the extraordinary general meeting of the Company to approve the Rollover Arrangement; and (iii) the grant of consent under Rule 25 of the Takeovers Code from the Executive in respect of the Rollover Arrangement.

The Rollover Shareholders are considered to be acting in concert with the Offeror for the purpose of the Takeovers Code as a result of the Rollover Arrangement, and are therefore not Disinterested Shareholders and will not be voting on the Rollover Arrangement at the EGM. As the Shares held by the Rollover Shareholders will not form part of the Scheme Shares, the Rollover Shareholders are not entitled to vote on the Scheme at the Court Meeting.

Pursuant to the AIC Confirmation, the Other Founding Shareholders are acting in concert with Mr. Ng, Mr. Chin and Mr. Law, who are also the Rollover Shareholders. Accordingly, the Other Founding Shareholders are considered to be acting in concert with the Offeror for the purpose of the Takeovers Code, and are therefore not Disinterested Shareholders and will not be voting on the Rollover Arrangement at the extraordinary general meeting of the Company. All Scheme Shareholders (including the Other Founding Shareholders) whose names appear on the register of members of the Company as at the meeting record date will be entitled to attend and vote at the Court Meeting for the purpose of determining whether the requirements under Condition (a) under section headed “Conditions of the Proposal” are satisfied and the Other Founding Shareholders are not required to abstain from voting at the Court Meeting. However, as the Other Founding Shareholders are not Disinterested Shareholders, their votes will not be counted and only the votes of Disinterested Shareholders will be counted for the purpose of determining whether the requirements under Condition (b) under section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all the independent non-executive Directors, namely, Mr. Ng Seng Leong, Mr. Martin Giles Manen and Mr. Wu Chun Sing, has been established by the Board to make a recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser to the Disinterested Shareholders as to whether the Proposal, the Scheme and the Rollover Arrangement are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

INDEPENDENT FINANCIAL ADVISER

The Board, with the approval of the Independent Board Committee, has appointed Quam Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement pursuant to Rule 2.1 of the Takeovers Code.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Benefits of the Proposal to the Scheme Shareholders:

The Proposal represents a compelling exit opportunity under current market environment

The price of the Shares had fluctuated over the past 12 months, with closing prices at between HK\$0.156 and HK\$0.245 levels, affected by a combination of factors including fluctuations of the Group's financial performance, global and PRC macroeconomic cycles as well as volatile equity capital markets performance. Demand for the Group's products also fluctuated along with constantly changing global trade relations and the cyclical outlook of the semiconductor industry in particular.

The Directors believe the Group can better weather these issues and thrive if it operates within a larger group such as MayAir Technology. That being said, given the specialised nature of the sector and geographical region (being predominantly in PRC and in Malaysia) which the Group operates in, potential buyer or opportunities may be hard to come by. The Proposal by MayAir Technology, which is a leading air filtration provider specialist with its manufacturing capabilities and research and development operations in the PRC, Malaysia and Canada, represents an opportunity for the Scheme Shareholders to realise their investment in the Company for cash at an attractive premium over the prevailing market price which can then be redeployed for other usages.

The Cancellation Price represents a premium of approximately 25.0% over the closing price on the Last Trading Day and various premiums ranging between 23.8% and 41.2% over the average closing prices of Shares based on the daily closing prices as quoted on the Stock Exchange for 5, 30, 60, 120 and 180 trading days up to and including the Last Trading Day. The Cancellation Price is also above the highest closing price per Share during the 12-month period immediately prior to and including the Last Trading Day.

An opportunity to exit investments without liquidity discounts

The liquidity of Shares has been at a low level over a long period of time. The average daily trading volume of the Shares during the 12-month period immediately prior to and including the Last Trading Day was approximately 276,000 Shares, representing only approximately 0.02% of the issued Shares as at the Announcement Date. The low trading liquidity of the Shares could make it difficult for Shareholders to execute substantial on-market sale without adversely affecting the price of the Shares. The Scheme allows Scheme Shareholders to realise their investments in the Company at a fixed Cancellation Price.

Benefits of the Proposal to the Offeror and the Company:

The listing status of the Company no longer provides meaningful access to capital

The Company had not conducted any secondary equity fund raising after its listing on the Stock Exchange in October 2020. Despite the Company's efforts to improve investor confidence and market value, trading liquidity of Shares remained low and price of Shares remained subdued. The Company's current listing status no longer sufficiently serves as a source of funding for its long-term growth, and the Directors believe the Company's ability to raise funds in the equity capital markets is limited.

Following the implementation of the Proposal, the Company expects that administrative and management resources needed in maintaining its listing status will substantially reduce and along with the Offeror, it can focus on its business operations.

Along with the Offeror, the Company seeks to formulate long-term strategies which implementation is more flexible if the Company is not publicly listed

As a listed company in Hong Kong, the Company is subject to the Listing Rules which govern, among others, the continuing obligations of listed issuers on the Stock Exchange. Under the Listing Rules, the Company may need to comply with announcement and shareholder approval requirements when it conducts corporate exercises in future in line with its long-term strategies. The requirements of Listing Rules may result in uncertainties and delays in the implementation of these strategies. In addition, Shareholders of different investment horizons may react differently to the Company's corporate actions and exercises which in turn may result in volatility in Share price performance.

The Offeror believes that the successful implementation of the Proposal will provide more flexibility to the Company as a privately-owned business to implement its long term business strategies or to pursue future business opportunities, without being subject to administrative obligations as a listed company and without having to pay attention to short-term market reactions and stock price fluctuations.

OFFEROR'S INTENTIONS IN RELATION TO THE GROUP

The Offeror intends to continue the existing business of the Group, which is principally engaged in provision of cleanroom wall and ceiling systems and cleanroom equipment with establishment in the PRC, Malaysia and Philippines. No major changes are expected in the existing principal business of the Group, including any major redeployment of the fixed assets of the Group. The Offeror does not have any plan to make any significant changes to the continued employment of the employees of the Group as a result of the implementation of the Proposal. For the reasons explained above, the Offeror does not intend to continue the listing of the Company on the Stock Exchange.

INFORMATION ON THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 15 October 2020. The Group is principally engaged in provision of cleanroom wall and ceiling systems and cleanroom equipment primarily in the PRC, Malaysia and Philippines.

Based on the published audited consolidated financial statements of the Company prepared in accordance with the Hong Kong Financial Reporting Standards, the table below sets out the financial information of the Group for the two financial years ended 31 December 2023 and six months ended 30 June 2024:

	For the year ended 31 December		For the six months ended 30 June
	2022	2023	2024
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i> (unaudited)
Revenue	462,907	356,570	176,464
Profit before tax	93,677	68,984	26,479
Profit after tax	75,410	54,859	21,983

As at 30 June 2024, the unaudited consolidated net asset value of the Company was approximately RMB335.7 million (equivalent to approximately HK\$367.8 million).

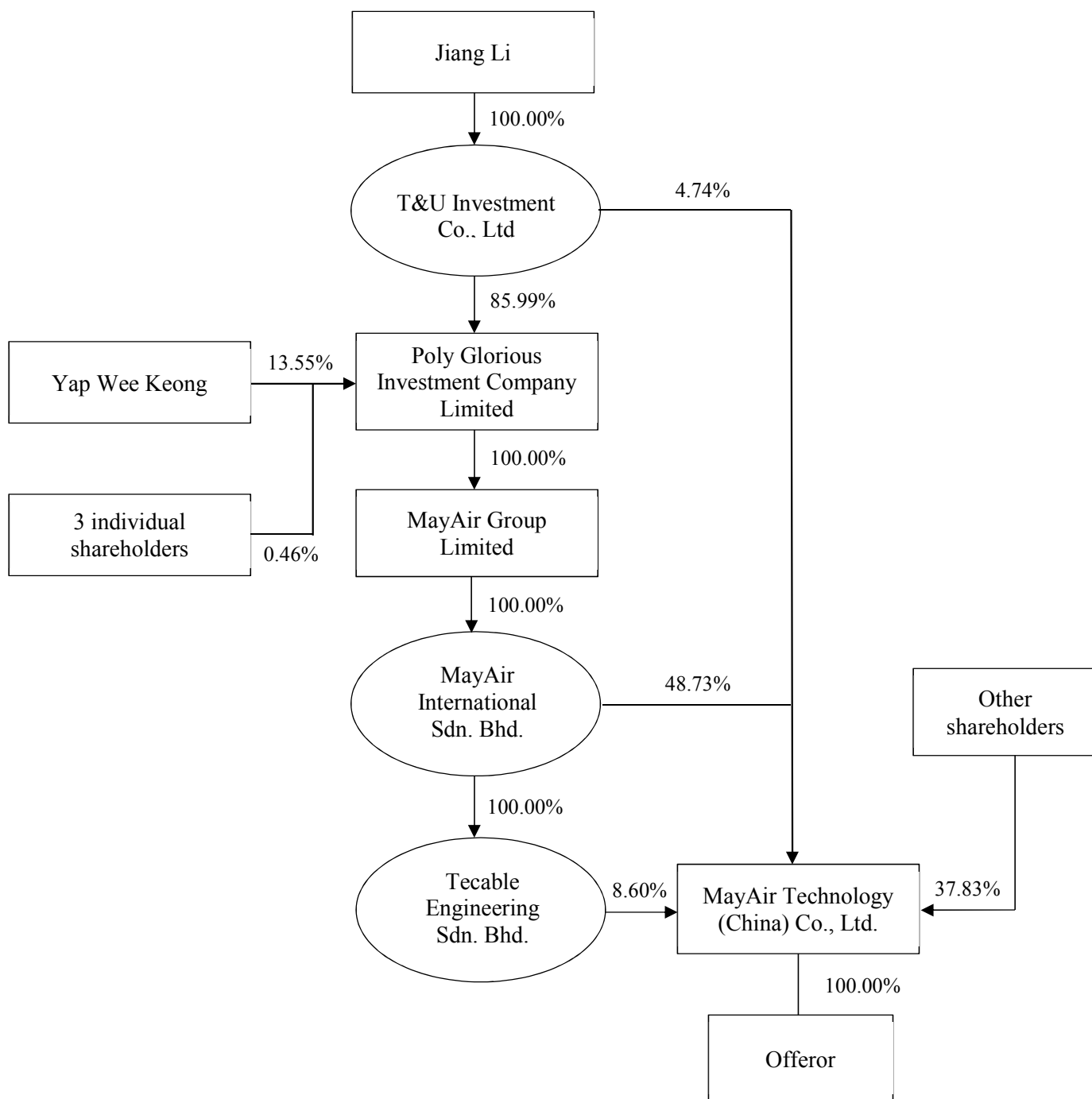
INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong with limited liability on 23 August 2024. The Offeror is an investment holding Company which was set up for the implementation of the Proposal. As at the Announcement Date, the Offeror is wholly-owned by MayAir Technology, the shares of which are listed on the Shanghai Stock Exchange STAR Market since 18 November 2022. MayAir

Technology being a leading air filtration provider specialist in its industries particularly in semiconductors, biopharmaceuticals, public health care, industrial dust removal, volatile organic compounds (VOCs) treatment markets with the full spectrum of principal activities ranging from research and development, trading and manufacturing and after sales services with an aim to promote cleantech development and to improve global air quality. As at the Announcement Date, MayAir Technology is ultimately controlled by Mr. Jiang Li in respect of a shareholding of approximately 62.07% through three companies, namely, directly through T&U Investment Co., Ltd. as to approximately 4.74%, and indirectly through MayAir International Sdn. Bhd. and Tecable Engineering Sdn. Bhd. as to approximately 48.73% and 8.60%, respectively. He has been a director of MayAir Technology since July 2019 and has been nominated as the chairman of MayAir Technology since March 2020. He is the founder, chairman and director of Nanjing TICA Air-Conditioning Co., Ltd.* (南京天加空調設備有限公司), which was later renamed as Nanjing TICA Climate Solutions Co., Ltd.* (南京天加環境科技有限公司) since 1999. He is also a director of Guangzhou Smardt Chiller Manufacturing Co., Ltd.* (廣州思茂特冷凍設備製造有限公司) since January 2021. He is a member of the National Standardization Technical Committee* (全國專業標準化技術委員會). Mr. Jiang is currently an independent non-executive Director of Chervon Holdings Limited (stock code: 2285), a company listed on the Main Board of the Stock Exchange, since 8 December 2021.

The major shareholders of MayAir Technology, namely, T&U Investment Co., Ltd., MayAir International Sdn. Bhd. and Tecable Engineering Sdn. Bhd., has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the general meeting of shareholders of MayAir Technology to approve the transactions contemplated under the Proposal.

The chart below sets out the simplified shareholding structure of the Offeror as at the Announcement Date:



Upon completion of the Proposal and the transfers of the Rollover Shares pursuant to the Rollover Agreement and assuming that there is no other change in shareholding of the Company before completion of the Proposal, the Offeror will have 2,914 issued shares, and will be held as to approximately 68.39% by MayAir Technology, approximately 24.29% by Mr. Ng Yew Sum, approximately 4.29% by Mr. Law Eng Hock, approximately 2.65% by Mr. Chin Sze Kee and approximately 0.38% by Mr. Luah Kok Lam.

INFORMATION ON THE OFFEROR CONCERT PARTIES

The Rollover Shareholders

Mr. Ng Yew Sum is an Executive Director and chairman of the Board, and a director of all subsidiaries of the Group. Mr. Ng is acting in concert with the Offeror due to his involvement in the discussions relating to the Proposal and as a Rollover Shareholder. The Shares held by Mr. Ng will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

Mr. Law Eng Hock is an Executive Director and general manager of the China operation of the Group. Mr. Law is acting in concert with the Offeror due to his involvement in the discussions relating to the Proposal and as a Rollover Shareholder. The Shares held by Mr. Law will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

Mr. Chin Sze Kee is an Executive Director and a director of certain subsidiaries of the Group. Mr. Chin is acting in concert with the Offeror due to his involvement in the discussions relating to the Proposal and as a Rollover Shareholder. The Shares held by Mr. Chin will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

Mr. Luah Kok Lam is the assistant general manager of the Group. Mr. Luah is acting in concert with the Offeror due to his involvement in the discussions relating to the Proposal and as a Rollover Shareholder. The Shares held by Mr. Luah will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective.

Other Founding Shareholders

Pursuant to the AIC Confirmation, the Other Founding Shareholders, namely, Mr. Francis Chia Mong Tet, Mr. Lim Kai Seng, Mr. Chang Chin Sia, Mr. Ng Boon Hock, Ms. Yap Chui Fan, Mr. Loh Wei Loon and Mr. Phang Chee Kin, are acting in concert with Mr. Ng, Mr. Chin and Mr. Law. They have confirmed that, among others, they have been acting in concert with each other for the entire duration when all of them were/are contemporaneously either the legal and/or beneficial owners of shares in each of the Group companies, and shall continue to centralise the ultimate control and right to make decisions with respect to their interest in the Group's businesses. Accordingly, the Other Founding Shareholders are considered to be acting in concert with the Offeror for the purpose of the Takeovers Code due to Mr. Ng, Mr. Chin and Mr. Law's involvement in the discussions relating to the Proposal and as Rollover Shareholders. The Shares held by the Other Founding Shareholders will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and any share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules with effect immediately following the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, inter alia, further details of the Scheme.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. Such Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers (including Altus and CMBC) that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch of the Scheme Document to overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders, as the case may be.

TAXATION ADVICE

Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of the Proposal or the Scheme. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Altus and CMBC or any of their respective ultimate beneficial owners, directors, officers, employees, agents and associates or any other person involved in the Proposal or the Scheme accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Scheme.

SCHEME SHARES, COURT MEETING AND EGM

As at the Announcement Date:

- (a) the Offeror does not hold any Shares;
- (b) the Rollover Shareholders hold an aggregate of 442,526,550 Rollover Shares representing approximately 31.61% of the issued share capital of the Company. The Rollover Shares will not constitute part of the Scheme Shares; and
- (c) the Other Founding Shareholders hold an aggregate of 331,315,150 Shares representing approximately 23.66% of the issued share capital of the Company. These Shares held by the Other Founding Shareholders will constitute part of the Scheme Shares.

As the Shares held by the Rollover Shareholders will not form part of the Scheme Shares, the Rollover Shareholders are not entitled to vote on the Scheme at the Court Meeting. All Scheme Shareholders (including the Other Founding Shareholders) whose names appear on the register of members of the Company as at the meeting record date will be entitled to attend and vote at the Court Meeting for the purpose of determining whether the requirements under Condition (a) under section headed “Conditions of the Proposal” are satisfied and the Other Founding Shareholders are not required to abstain from voting at the Court Meeting. However, as the Other Founding Shareholders are not Disinterested Shareholders, their votes will not be counted and only the votes of Disinterested Shareholders will be counted for the purpose of determining whether the requirements under Condition (b) under section headed “Conditions of the Proposal” (as required under Rule 2.10 of the Takeovers Code) are satisfied.

The Offeror, each of the Rollover Shareholders and each of the Other Founding Shareholders will not be able to vote on the Rollover Arrangement at the EGM.

The Offeror and the Offeror Concert Parties will undertake to the Grand Court that each of them will be bound by the Scheme and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme.

All Shareholders will be entitled to attend the EGM and vote on the special resolution to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith increase and restore the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror.

The Offeror and the Offeror Concert Parties have indicated that if the Scheme is approved at the Court Meeting, those Shares held by them (if any) will be voted in favour of the resolutions to be proposed at the EGM in relation to: (i) approve and give effect to any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) contemporaneously therewith increase and restore the issued share capital of the Company to the amount prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme, credited as fully paid, for issuance to the Offeror. Neither the Offeror nor the Offeror Concert Parties (including the Rollover Shareholders and the Other Founding Shareholders) will vote on the Rollover Arrangement at the EGM.

COSTS OF THE SCHEME

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

GENERAL

The Offeror has appointed Altus and CMBC as its joint financial advisers in connection with the Proposal.

The Directors (excluding members of the Independent Board Committee whose views will be given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable and in the interests of the Shareholders as a whole.

The Scheme Shareholders are reminded to carefully read the Scheme Document, the letter of advice from the Independent Financial Adviser and the letter from the Independent Board Committee to the Disinterested Shareholders contained therein before making a decision.

As at the Announcement Date:

- (a) save as disclosed in the section headed “Shareholding Structure of the Company” above, neither the Offeror nor any Offeror Concert Party owns, controls or has direction over any Shares, convertible securities, warrants or options in the Company;
- (b) save as disclosed in the section headed “Shareholding Structure of the Company” above, there are no securities, warrants or options convertible into Shares held, controlled or directed by the Offeror or any Offeror Concert Party;
- (c) neither the Offeror nor any Offeror Concert Party has entered into any outstanding derivative in respect of the securities in the Company;
- (d) neither the Offeror nor any Offeror Concert Party has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (e) save for the Rollover Agreement, no irrevocable commitment to vote for or against the Scheme, has been received by the Offeror or the Offeror Concert Parties;
- (f) other than the Cancellation Price for each Scheme Share payable under the Scheme and allotment and issuance of new shares issued by the Offeror for the transfer of the Rollover Shares to the Offeror pursuant to the Share Swap Agreement, the Offeror or the Offeror Concert Parties have not paid and will not pay any other consideration, compensation or benefit in whatever form to the Rollover Shareholders, the Scheme Shareholders or persons acting in concert with them in connection with the Scheme Shares;
- (g) save for the Implementation Agreement, the Rollover Agreement, the Share Swap Agreement, the Deed of Indemnity and the Shareholders’ Agreement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares and which might be material to the Proposal;
- (h) save for the Pre-Conditions, the Conditions, the Implementation Agreement, the Rollover Arrangement, the Share Swap Agreement, the Deed of Indemnity and the Shareholders’ Agreement, there are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a Condition to the Proposal;

- (i) save for the Implementation Agreement, the Rollover Agreement, the Share Swap Agreement, the Deed of Indemnity and the Shareholders' Agreement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (x) the Offeror and the Offeror Concert Parties, or (y) the Company or the Company's subsidiaries or associated companies;
- (j) save for the Implementation Agreement, the Rollover Arrangement, the Share Swap Agreement, the Deed of Indemnity and the Shareholders' Agreement, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or any of the Offeror Concert Parties on the one hand, and the Rollover Shareholders and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (k) save as disclosed below in respect of one of the Rollover Shareholders and one of the Other Founding Shareholders, none of the Offeror and the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares during the six months prior to and up to and including the Announcement Date:

Name	Date of transaction	Nature of dealing	No. of Shares involved	Price per Share
				<i>HK\$</i>
Mr. Ng Yew Sum	2/7/2024	Purchase of Shares	70,000	0.155
Mr. Chang Chin Sia	13/8/2024	Sale of Shares	440,000	0.181
Mr. Chang Chin Sia	14/8/2024	Sale of Shares	250,000	0.186
Mr. Chang Chin Sia	19/8/2024	Sale of Shares	20,000	0.190
Mr. Chang Chin Sia	28/8/2024	Sale of Shares	250,000	0.199
Mr. Chang Chin Sia	29/8/2024	Sale of Shares	900,000	0.199
Mr. Chang Chin Sia	30/8/2024	Sale of Shares	350,000	0.200
Mr. Chang Chin Sia	2/9/2024	Sale of Shares	300,000	0.190
Mr. Chang Chin Sia	5/9/2024	Sale of Shares	300,000	0.190
Mr. Chang Chin Sia	10/9/2024	Sale of Shares	600,000	0.190
Mr. Chang Chin Sia	13/9/2024	Sale of Shares	1,350,000	0.189
Mr. Chang Chin Sia	17/9/2024	Sale of Shares	1,000,000	0.190
Mr. Chang Chin Sia	19/9/2024	Sale of Shares	30,000	0.190
Mr. Chang Chin Sia	20/9/2024	Sale of Shares	1,500,000	0.191
Mr. Chang Chin Sia	24/9/2024	Sale of Shares	400,000	0.189
Mr. Chang Chin Sia	25/9/2024	Sale of Shares	10,000	0.192
Mr. Chang Chin Sia	26/9/2024	Sale of Shares	400,000	0.192
Mr. Chang Chin Sia	27/9/2024	Sale of Shares	1,000,000	0.198
Mr. Chang Chin Sia	4/10/2024	Sale of Shares	100,000	0.200

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others: (i) further details of the Proposal, the Scheme and the Rollover Arrangement; (ii) the expected timetable in relation to the Proposal and the Scheme; (iii) an explanatory memorandum as required under the Companies Act and the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal, the Scheme and the Rollover Arrangement, and the letter of advice from the Independent Financial Adviser; and (vi) a notice of the Court Meeting and a notice of an EGM, together with forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable

after the satisfaction of the Pre-Conditions and in compliance with the requirements of the Takeovers Code, the Companies Act, the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the holders of Scheme Shares are urged to carefully read the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the EGM. Any voting or other response to the Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal is made.

DISCLOSURE OF DEALINGS

Associates of the Offeror and the Company (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of any of the Offeror and the Company) are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This joint announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this joint announcement include statements about the expected effects on the Company of the Proposal, the expected timing and scope of the Proposal, and all other statements in this joint announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal, as well as additional factors, such as general, social, economic and political conditions in the countries in which the Offeror and/or the Group operate or other countries which have an impact on the

Offeror and/or the Group's business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Offeror and/or the Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Offeror and/or Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Offeror and/or Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date and each of the Offeror and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the Takeovers Code.

TRADING HALT AND RESUMPTION

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 8 October 2024 pending the release of this joint announcement.

An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on [*] 2024.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“AIC Confirmation”	the acting in concert confirmation dated 13 August 2019 and executed by Mr. Ng, Mr. Chin, Mr. Law and the Other Founding Shareholders
“Altus”	Altus Capital Limited, one of the joint financial advisers to the Offeror in connection with the Proposal. Altus is a licensed corporation under the SFO, licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Announcement Date”	[*] October 2024, being the date of this joint announcement
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of directors of the Company
“Cancellation Price”	the cancellation price of HK\$0.25 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“CMBC”	CMBC International Capital Limited, one of the joint financial advisers to the Offeror in connection with the Proposal. CMBC is a licensed corporation under the SFO,

	licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Companies Act”	the Companies Act (2023 Revision) of the Cayman Islands
“Company”	CM Hi-Tech Cleanroom Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2115)
“Condition(s)”	the condition(s) to the implementation of the Proposal as set out in the section headed “Conditions of the Proposal” of this joint announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Deed of Indemnity”	the deed of indemnity dated [*] October 2024 executed by the Rollover Shareholders in favour of the Offeror, the key terms of which are described in the section headed “Arrangements Material to the Proposal – Special Deal relating to the Rollover Arrangement – (iii) Deed of Indemnity” above in this joint announcement
“Director(s)”	the director(s) of the Company
“Disinterested Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties and those who are interested in or involved in the Rollover Arrangement
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act
“EGM”	the extraordinary general meeting of the Company to be convened for the purposes of considering, and if thought fit, approving, among other things, all necessary resolutions for the implementation of the Proposal, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“Hang Seng Index”	the Hang Seng Index published by Hang Seng Indexes Company Limited or any successor company or organisation
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Agreement”	the agreement entered into between the Offeror and the Company on [*] October 2024 pursuant to which the parties have agreed to pursue the Proposal, the key terms of which are further described in the section headed “Arrangements Material to the Proposal – Implementation Agreement” above in this joint announcement
“Independent Board Committee”	the independent board committee of the Company, , which comprises all the independent non-executive Directors, namely, Mr. Ng Seng Leong, Mr. Martin Giles Manen and Mr. Wu Chun Sing, established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal, the Scheme and the Rollover Arrangement
“Independent Financial Adviser” or “Quam”	Quam Capital Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the independent financial adviser appointed by the Board with the approval of the Independent Board Committee to advise the Independent Board Committee in connection with the Proposal, the Scheme and the Rollover Arrangement
“Last Trading Day”	8 October 2024, being the last trading day prior to the trading halt of the Company at 1:00 p.m. pending the issue of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2025 or such other date as the Company and the Offeror may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive
“MayAir Group”	MayAir Technology and its subsidiaries
“MayAir Technology”	MayAir Technology (China) Co., Ltd. (美埃（中国）环境科技股份有限公司) (stock code: 688376.sh), the shares of which are listed on the Shanghai Stock Exchange STAR Market since 18 November 2022
“Mr. Chin”	Mr. Chin Sze Kee, an executive Director
“Mr. Law”	Mr. Law Eng Hock, an executive Director
“Mr. Luah”	Mr. Luah Kok Lam, the assistant general manager of the Group
“Mr. Ng”	Mr. Ng Yew Sum, an executive Director

“Offeror”	MayAir HK Holdings Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by MayAir Technology
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code, including the Rollover Shareholders and the Other Founding Shareholders
“Other Founding Shareholders”	Mr. Francis Chia Mong Tet, Mr. Lim Kai Seng, Mr. Chang Chin Sia, Mr. Ng Boon Hock, Ms. Yap Chui Fan, Mr. Loh Wei Loon and Mr. Phang Chee Kin
“PRC”	the People’s Republic of China, but for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Pre-Conditions”	the pre-conditions to the making of the Proposal, as set out under the section headed “Pre-conditions to the making of the Proposal” of this joint announcement
“Pre-Conditions Long Stop Date”	[13 December] 2025, the date that falls on the [60]th day after the date of this joint announcement
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of listing of the Shares on the Stock Exchange, on the terms and subject to the conditions set out in this joint announcement and to be set out in the Scheme Document
“Record Date”	the Effective Date, or such other date as shall have been announced to the Scheme Shareholders, being the record date for determining entitlements of the Scheme Shareholders under the Scheme upon the Scheme becoming effective
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“RMB”	Renminbi, the lawful currency of the PRC
“Rollover Agreement”	the rollover agreement entered into between the Offeror and the Rollover Shareholders on [*] October 2024, the key terms of which are described in the section headed “Arrangements Material to the Proposal – Special Deal relating to the Rollover Arrangement – (i) Rollover Agreement” above in this joint announcement
“Rollover Arrangement”	the arrangement between the Offeror and the Rollover Shareholders comprising (i) the Rollover Agreement; (ii) the Share Swap Agreement; (iii) the Deed of Indemnity; and (iv) the Shareholders’ Agreement

“Rollover Share(s)”	the 442,526.550 existing Shares (representing approximately 31.61% of the issued share capital of the Company as at the Announcement Date) held by the Rollover Shareholders
“Rollover Shareholders”	Mr. Ng, Mr. Law, Mr. Chin and Mr. Luah
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholders under Section 86 of the Companies Act involving the cancellation of all the Scheme Shares and the contemporaneous restoration of the issued share capital of the Company to the amount immediately before the cancellation of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Grand Court or agreed between the Company and the Offeror
“Scheme Document”	the composite scheme document of the Company and the Offeror to be issued to all Shareholders containing, inter alia, further details of the Proposal together with the additional information specified in the section of this joint announcement headed “Despatch of Scheme Document” above
“Scheme Share(s)”	all of the Shares in issue and any further Shares as may be issued prior to the Record Date, other than those held by the Rollover Shareholders
“Scheme Shareholder(s)”	registered holder(s) of Scheme Shares
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Shareholders’ Agreement”	the shareholders’ agreement dated [*] October 2024 entered into among MayAir Technology, the Rollover Shareholders and the Offeror in respect of the governance of the Offeror, which will take effect on the Effective Date, the key terms of which are described in the section headed “Arrangements Material to the Proposal – Special Deal relating to the Rollover Arrangement – (iv) Shareholders’ Agreement” above in this joint announcement
“Share Option(s)”	the post-IPO share option scheme adopted by Shareholders’ resolutions on 3 September 2020, pursuant to which no options to subscribe for Shares are outstanding as at the Announcement Date
“Share Swap Agreement”	the share swap agreement dated [*] October 2024 entered into between the Offeror and the Rollover Shareholders to implement the transfer the Rollover Shares to the Offeror in consideration for the allotment and issuance of new shares

issued by the Offeror after the Effective Date, the key terms of which are described in the section headed “Arrangements Material to the Proposal – Special Deal relating to the Rollover Arrangement – (ii) Share Swap Agreement” above in this joint announcement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“%”	per cent.

By Order of the board of directors of
MayAir HK Holdings Limited
Yap Wee Keong
Director

By Order of the Board
CM Hi-Tech Cleanroom Limited
Ng Yew Sum
Chairman and Executive Director

Hong Kong, [*] October 2024

As at the Announcement Date, the directors of the Offeror are Mr. YAP Wee Keong and Ms. CHIN Kim Fa.

As at the Announcement Date, the directors of MayAir Technology are Mr. JIANG Li, Mr. QI Wei, Mr. YAP Wee Keong and Ms. CHIN Kim Fa, and the independent directors of MayAir Technology are Mr. SHEN Jinming, Mr. WANG Yao and Mr. WANG Hao.

The directors of the Offeror and MayAir Technology jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises: (1) Mr. NG Yew Sum (Chairman), Mr. CHIN Sze Kee and Mr. LAW Eng Hock as the executive Directors; and (2) Mr. NG Seng Leong, Mr. Martin Giles MANEN and Mr. WU Chun Sing as the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than relating to the Offeror and the Offeror Concert Parties), having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the respective directors of the Offeror and MayAir Technology) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

** For identification purposes only*

SCHEDULE 2 COMPANY'S WARRANTIES

The Company's Warranties are subject to matters in the Disclosure.

1. Corporate Matters

- 1.1 Each member of the Group is a company duly incorporated with limited liability or otherwise established under the laws of its respective jurisdiction of incorporation, and has been validly existing and (where relevant to such jurisdiction) in good standing since incorporation. The books and records of each member of the Group have been maintained in accordance with Applicable Laws in all material respects.
- 1.2 The Company is duly authorised, has the requisite power and authority and has obtained or satisfied all corporate and regulatory Approvals necessary to execute and deliver this Agreement and exercise its rights and perform its obligations under this Agreement in accordance with its terms.
- 1.3 The Company's obligations under this Agreement constitute valid, legal and binding obligations of it enforceable in accordance with its terms.
- 1.4 Other than in compliance with the applicable requirements under the Takeovers Code, the Listing Rules and the Companies Act in respect of the Proposal and the Scheme, neither the execution nor performance of this Agreement nor the implementation and completion of the Proposal and the Scheme will result in or constitute:
 - 1.4.1 a violation or breach by the Company or a member of the Group of any Applicable Laws;
 - 1.4.2 a breach by the Company or a member of the Group of the terms of its constitutional documents or bye-laws; or
 - 1.4.3 a breach by the Company or, to the best of the knowledge of the Company, a member of the Group of any Material Contract, undertaking commitment, agreement or instrument to which the Company or any member of the Group is a party, or any loan to or mortgage created by any member of the Group, or relieve any other party to a contract with any member of the Group of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any order, judgment or decree of any court, governmental Authority or regulatory body to which any member of the Group is a party or by which any member of the Group or any of their respective assets is bound,

PROVIDED THAT there shall be no breach of this Company's Warranty if any necessary consents or waivers will have been obtained from relevant third parties before the Effective Date.

- 1.5 All directors, auditors and other officers of any member of the Group have been duly appointed in accordance with the constitutional document of such member of the Group and the Applicable Laws.
- 1.6 Save as set out in **Schedule 5** to this Agreement, no member of the Group owns or has any interest of any nature whatsoever in any share, debenture or other security of any kind issued by any undertaking.
- 1.7 No member of the Group is, nor has agreed to become, a member of or party to any partnership, joint venture, consortium or other unincorporated association, body or undertaking or profit or loss sharing arrangement with any other entity or business.
- 1.8 Save as set out in **Schedule 5** to this Agreement, no member of the Group has any branch, agency, place of business or permanent establishment

2. **Securities of the Group**

- 2.1 The relevant securities of the Company in issue as at the date of this Agreement comprise 1,400,000,000 Shares (which are fully paid up and rank *pari passu* with each other) and, save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this Agreement.
- 2.2 The Company is the legal and beneficial owner of 100 per cent. of the equity interests or (as the case may be) authorised share capital of all other members of the Group (other than as disclosed in the FY2023 Financial Statements and as set out in or annexed hereto as **Schedule 5** to this Agreement) and there are no Encumbrances on the shares or (as the case may be) authorised capital of any member of the Group (other than as set out in or annexed hereto as **Schedule 5** to this Agreement), and all transfers of shares (if any) or (as the case may be) authorised capital of any member of the Group have been effected in accordance with the constitutional document of such member of the Group and Applicable Laws.
- 2.3 All the relevant securities of any member of the Group have been duly authorised and validly allotted and issued, are fully paid-up and rank *pari passu* in all respects with each other. No member of the Group has any outstanding warrants, convertible securities or options in issue and is not subject to any actual or contingent obligation to issue or convert securities except as required or contemplated by this Agreement, and it will not announce, declare, pay or make any dividend or any distribution (in cash or in kind) to the Shareholders.
- 2.4 As at the date of this Agreement:
 - 2.4.1 there are no unexercised options and no obligation to grant any options to any employees of the Group;

2.4.2 no share options have been granted since the adoption of the Share Option Scheme;

2.4.3 save for the Share Option Scheme, there are no other share option scheme or similar equity incentive schemes for the granting of options and/or incentives to any employees of the Group.

3. Insolvency

3.1 No petition has been presented, no order has been made or resolution passed for the winding up of any member of the Group or for the appointment of a liquidator or a provisional liquidator to any member of the Group. So far as the Company is aware, there are no grounds on which any person would be entitled to have any member of the Group wound-up, nor has any person threatened to present such petition or convened or threatened to convene a meeting of any member of the Group to consider a resolution to wind up such member of the Group.

3.2 No receiver, administrative receiver or similar officer has been appointed, nor any written notice given of the appointment of any such person, over the whole or part of any member of the Group's business or assets and so far as the Company is aware there are no grounds on which any person would be entitled to have any member of the Group placed in administration or judicial management, nor has any person threatened to present such a petition.

4. Intellectual Property

4.1 The Group owns or otherwise holds the rights to use all Intellectual Property of the Group which are necessary for its business as currently conducted. All Intellectual Property owned or used by the Group is valid, subsisting, enforceable and free from any licence, Encumbrance and restriction on use or disclosure obligation. So far as the Company is aware, nothing has been done or omitted to be done by which any of the Intellectual Property owned or used by the Group which is necessary for its business as currently conducted may cease to be valid and enforceable.

4.2 So far as the Company is aware, none of the operations of any member of the Group infringe upon any Intellectual Property held by any third party in any material respects and, so far as the Company is aware, there is not, and has not been in the preceding three (3) years, an actual or alleged infringement or unauthorised use of any of the Intellectual Property used by any member of the Group.

4.3 All application and renewal fees, costs and charges relating to the Intellectual Property of the Group necessary for its business as currently conducted have been duly paid on time and no payments have been made in excess of the rates specified under the relevant applications, contracts, agreements and/or licences (as the case may be).

4.4 All actions required to be taken to protect and maintain the Intellectual Property owned by the Group have been taken by the relevant deadline, and nothing is due to be done, the omission of which would jeopardise the maintenance or registration of any Intellectual Property owned by the Group.

5. **General Regulatory Matters**

5.1 Each member of the Group has conducted its business and dealt with its assets in all material respects in accordance with the requirements of Applicable Laws. So far as the Company is aware, there is and has been since the Company became listed on the Stock Exchange, no governmental or other investigation or disciplinary proceeding concerning a member of the Group which would have a Material Adverse Effect on the Group taken as a whole and there is no such investigation or proceeding pending or threatened. So far as the Company is aware, no fact or circumstance exists which might reasonably be expected to give rise to an investigation, enquiry or proceeding of that type.

5.2 So far as each of the Transferors is aware, there have not been and there are no material breaches by any member of the Group of its constitutional documents.

5.3 So far as the Company is aware, and within the preceding three (3) years, no member of the Group and none of the Group's director, officer, agent, employee, affiliate or any other person acting for or on behalf of the foregoing, has violated and has been investigated by relevant Authorities in respect of a violation of, any applicable Anti-Bribery Laws, has not been investigated regarding any unlawful payment of money or anything of value (including, without limitation, any unlawful contribution, gift, entertainment or other unlawful inducement), directly or indirectly, to any person or a government official or to a political party, in each case, for the purpose of: (a) influencing any act or decision of a government official in his/her official capacity; (b) inducing such person to act (including through action or omission) in violation of the lawful duty of such person, or to enter into an agreement or arrangement with any member of the Group; (c) securing any improper advantage; or (d) inducing such person to use his/her influence to affect or influence any act or decision of a Authority in order to assist any member of the Group in obtaining or retaining business for or with, or directing business to, any person.

5.4 So far as the Company is aware, and within the preceding three (3) years, no member of the Group and none of the Group's director, officer, agent, employee, affiliate or any other person acting for or on behalf of the foregoing is owned or controlled by a person that is targeted by, or the subject of, or in breach of any sanctions from time to time administered by any relevant governmental entity.

5.5 So far as the Company is aware and within the preceding three (3) years, the operations of all members of the Group are and have been conducted at all times in compliance with applicable Anti-Money Laundering Laws and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving any members of the Group with respect to the Anti-Money Laundering Laws is pending or threatened.

5.6 Licences and Consents

5.6.1 All statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities (the “**Licences**”) necessary for the carrying on of the businesses and operations of each member of the Group have been obtained, are in full force and effect and all conditions applicable to any such Licences of the Group have been and are being complied with in all material respects.

5.6.2 There is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation, modification or revocation of any of the Group’s Licenses. So far as the Company is aware, none of the Group’s Licenses is likely to be suspended, cancelled, refused, modified or revoked (whether as a result of entering into this Agreement, consummating the Transaction, implementing the Scheme or otherwise).

6. **Connected Transactions**

6.1 Except as disclosed in any announcement or circular of the Company, there are no subsisting connected transactions of the Group other than those which are exempted from the reporting and announcement requirements under Chapter 14A of the Listing Rules.

6.2 All transactions which have been undertaken by any member of the Group with any of the directors of any member of the Group or his Related Person:

(a) were undertaken on arm’s length terms; and

(b) in accordance with transfer pricing requirements under Applicable Laws.

7. **Information**

7.1 All information contained in this Agreement and all other information which has been given in writing by or on behalf of any member of the Group to the Offeror or any of its agents, directors, officers, representatives and advisers in the course of the due diligence or other investigation carried out by or on behalf of the Offeror prior to entering into this Agreement was when given, so far as the Company is aware, true, complete, accurate and not misleading, and as at the date of this Agreement, the Company is not aware of any fact or matter or circumstance which renders or will render any such information untrue or inaccurate in any respect. All material information relating to the Group has been announced on the Stock Exchange in compliance with its continuing disclosure requirements.

7.2 All information relating to the Group which have been disclosed to the Offeror for the purposes of informing the Offeror about the Group and its assets and the Company have been prepared in good faith by the Company and its agents,

directors, officers, representatives and advisers, after reasonable enquiry, and the Company has not knowingly omitted any fact and is not aware of any such information being inaccurate or misleading.

8. ACCOUNTS

8.1 Latest Audited Accounts

8.1.1 The FY2023 Financial Statements have been properly drawn up in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Companies Ordinance.

8.1.2 The FY2023 Financial Statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRSs issued the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

8.2 Changes since the FY2023 Financial Statements Date

There have been no changes in the financial position of the Group which have a Material Adverse Effect and, in particular:

8.2.1 its business has been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern, save and except for events that may occur as a result of an act of God;

8.2.2 it has not entered into any transaction or assumed or incurred any liabilities (including contingent liabilities) or made any payment or given any guarantee, indemnity or suretyship not provided for in the FY2023 Financial Statements, otherwise than in the ordinary and usual course of carrying on its business;

8.2.3 its cash and bank balances have not been affected by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms and in the ordinary and usual course of carrying on business;

8.2.4 its profits have not been affected by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, or by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;

8.2.5 it has not entered into any unusual, long term and onerous commitments and contracts; and

8.2.6 none of the members of the Group has entered into or proposed to enter into any capital commitments other than in the ordinary and usual course of business.

8.3 Absence of Undisclosed Liabilities

There are no material liabilities (including material contingent liabilities) of any member of the Group which are outstanding on the part of each member of the Group, other than

8.3.1 liabilities publicly disclosed and to the extent provided for in the FY2023 Financial Statements or otherwise publicly announced by the Company on the Stock Exchange thereafter;

8.3.2 liabilities disclosed elsewhere in this Agreement; or

8.3.3 liabilities incurred in the ordinary and usual course of business since the FY2023 Financial Statements Date.

8.4 Trade and Other Receivables

The trade and other receivables, including accrued revenue in the FY2023 Financial Statements are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the FY2023 Financial Statements, reasonably be expected to be realised in the ordinary and usual course of carrying on the business of the Group. No new adverse events have occurred that would give doubt as to the ability to realise all current trade and other receivables in the ordinary and usual course of business after taking into account any provision for bad and doubtful debts made in the FY2023 Financial Statements.

8.5 Inventory

Inventory (whether raw materials, work-in-process, or finished goods) in the FY2023 Financial Statements are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the FY2023 Financial Statements, reasonably be expected to be utilised or realised in the ordinary and usual course of carrying on the business of the Group.

9. CONTRACTUAL ARRANGEMENTS

9.1 Contracts

9.1.1 No member of the Group is, or has been, a party to any contract or transaction with a third party which:

- (a) is outside the ordinary and usual course of business;
- (b) is not wholly on an arm's length basis; or

- (c) is of a loss-making nature that would have a Material Adverse Effect.

9.1.2 Except in the ordinary and usual course of business, no member of the Group:

- (a) is, or has agreed to become a party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement or any agreement or arrangement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit;
- (b) is, or has agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or
- (c) is, or has agreed to become, a party to any agreement or arrangement for participating with others in any business, sharing commissions or other income.

9.2 Compliance with Agreements

All the contracts and all leases, tenancies, licences, concessions and agreements to which any member of the Group is a party are valid, binding and enforceable obligations of the relevant members of the Group, and the terms thereof have been complied with in all material respects by the relevant members of the Group. So far as the Company is aware, there are no circumstances likely to give rise to any breach of such contracts, leases, tenancies, licences, concessions or agreements and no notice of termination or of intention to terminate has been received in respect of any thereof.

9.3 Customers and Suppliers

So far as the Company is aware, no single customer or supplier of any member of the Group (to the extent not substituted or replaced by other customers or suppliers (as the case may be)) has, on or after the date of this Agreement, been induced to cease or refrain from conducting business with, or to reduce the amount of business conducted with, or to vary adversely the terms upon which it conducts business with the Group, or do any other thing which is reasonably likely to have such an effect, the loss of which would have a Material Adverse Effect. For the avoidance of any doubt, this does not include event or natural loss of any single customer or supplier in the ordinary course of business.

10. TAXATION MATTERS

10.1 Returns, information and Clearances

10.1.1 So far as the Company is aware, all returns, accounts, computations, notices and information which are or have been required to be made, given or delivered by any member of the Group for any Taxation purpose (a) have been made, given or delivered within the requisite periods or

within permitted extensions of such periods; (b) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (c) none of them is the subject of any dispute with the Taxation authority.

10.1.2 So far as the Company is aware, all Taxes assessed or imposed by any Taxation authority which have been assessed upon the Group which are due and payable on or before the Effective Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment. There are no Tax liens on any of the assets of the Group.

10.2 Tax Incentives

10.2.1 So far as the Company is aware, all the tax incentives and preferential tax treatment enjoyed by the Group as at the date of this Agreement will not be affected, varied, withdrawn or revoked as a result of the Transaction or the implementation of the Scheme. Each member of the Group has complied with all the conditions subject to which tax incentives have been granted to such member of the Group.

10.2.2 So far as the Company is aware, no relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to any member of the Group which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by such member of the Group.

10.3 Tax Claims

So far as the Company is aware, no single Claim for Taxation has been made:

10.3.1 in respect of or arising from any transaction effected or deemed to have been effected on or before the Effective Date; or

10.3.2 by reference to any income, profits or gains earned, accrued or received on or before the Effective Date,

except:

- (1) to the extent that Taxation was paid, provided for or accrued in respect thereof in the FY2023 Financial Statements or to the extent that Taxation was paid, provided for or accrued in respect thereof in any of the audited accounts or unaudited accounts or management accounts of a member of the Group or the Company on a consolidated basis up to the Effective Date; and
- (2) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any increase in rates of Taxation made after the date hereof with retrospective effect.

10.4 Tax Audits

So far as the Company is aware, there is no investigation by any Taxation Authority in process or, as far as the Company is aware, pending with respect to any Tax returns of any member of the Group, other than queries raised by a Taxation authority in its usual review of such Tax returns by a member of the Group.

11. ASSETS (INCLUDING PROPERTIES)

11.1 Title to Assets

11.1.1 All assets which are included in the FY2023 Financial Statements are the absolute property of such member of the Group and (save for those subsequently disposed of or realised in the ordinary and usual course of business) all such assets and properties and all debts which have subsequently been acquired or arisen are the absolute property of such member of the Group.

11.1.2 Each member of the Group has good title to all assets free from Encumbrances, save for Encumbrances in the ordinary and usual course of carrying on its business.

11.1.3 All such assets are, where capable of possession, in the possession of or under the control of the relevant member of the Group, or the relevant member of the Group is entitled to take possession or control of such assets.

11.2 Properties

11.2.1 The relevant Properties which are held under lease by a member of the Group, are held under a valid, subsisting and enforceable lease/tenancy agreement with such exceptions as do not materially interfere with the use or proposed use of such property and buildings, and there have been no past or present breaches under any of such leases.

11.2.2 The Properties are not, and no part thereof is, affected by any of the following matters or (so far as the Company is aware) is likely to become so affected:

- (a) any outstanding order, dispute, notice or complaint or any exception, reservation, right, covenant, restriction or condition which is of an unusual nature or which affects or might in the future affect the use of the Properties for the purpose for which it is now used; or
- (b) any notice, order, demand, requirement or proposal made or issued by or on behalf of any Authority for compulsory acquisition, requisition, clearance, demolition, closing or otherwise, the carrying out of any work upon any building, the modification of any planning permission, the discontinuance of any use, the

imposition of any building or improvement line or any other circumstances which may result in any such order or notice being made or served or which may otherwise adversely affect the Properties.

11.3 Insurance

11.3.1 Each of the current insurance and indemnity policies in respect of which any member of the Group has an interest (including any active historic policies which provide cover on a losses occurring basis but excluding insurances relating to the payment of hospital and other medical expenses) (the “**Policies**”) is valid and enforceable and is not void or voidable.

11.3.2 In respect of all Policies, all premiums have been duly paid to date.

11.3.3 No claims have been made or are outstanding in respect of, and as far as the Company is aware, no fact or circumstance exists which might give rise to a claim under, any of the Policies.

11.3.4 Each member of the Group has obtained all insurance required under any Applicable Laws, contract or arrangement to which it is bound or a party to (as the case may be), and such insurances obtained conform in all material respects with the requirements of such Applicable Laws, contract or arrangement and are in full force and effect.

12. EMPLOYMENT

12.1 Each member of the Group has in relation to each of its employees (and so far as relevant to each of its former employees) complied in all respects with:

12.1.1 all obligations imposed on it by all statutes, regulations and codes of conduct and practice relevant to the relations between it and its employees or any trade union, including, making deductions and payments in respect of contributions (including employer's contributions) to any relevant competent Authority;

12.1.2 all collective agreements and customs and practices for the time being dealing with such relations or the conditions of service of its employees; and

12.1.3 all relevant orders and awards made under any relevant statute, regulation or code of conduct and practice affecting the conditions of service of its employees.

12.2 Without prejudice to the generality of paragraph 12.1:

12.2.1 each member of the Group has complied in all material respects with the employment laws of the relevant jurisdiction including, *inter alia*, the foreign worker quota, the provisions relating to the work pass conditions of the Group's foreign workers, the termination of the Group's employees

and provision of reimbursement of medical expenses to the Group's employees; and

12.2.2 each member of the Group has complied in all material respects with any mandatory notification and/or reporting requirements in relation to its past and present employees to the relevant Authority in charge of labour law in the relevant jurisdiction.

12.3 Since the FY2023 Financial Statements Date, there has been no strike, work to rule, work stoppage, work interference activity or industrial action (official or unofficial) by any employee of any member of the Group, threatened or on-going.

12.4 There are not in existence nor has any proposal been announced to establish any retirement, death or disability benefit schemes for directors or employees nor are there any obligations to or in respect of present or former directors or employees with regard to retirement, death or disability pursuant to which any member of the Group is or may become liable to make payments of a material nature and no pension or retirement or sickness gratuity of a material nature is currently being paid or has been promised by any member of the Group to or in respect of any former director or former employee.

12.5 There are no terms of employment, consultancy, appointment or contract for any employees of any member of the Group which provide that a change in control of any member of the Group (howsoever defined therein) shall entitle any employee to treat the change in control as amounting to a breach of the contract or entitling him to any payment or benefit or enhanced notice period whatsoever or entitling him to treat himself as redundant or dismissed or released from any obligation.

13. **ENVIRONMENT**

No toxic industrial waste or toxic substance (as defined in any environmental legislation) or any other toxic or hazardous gaseous, liquid or solid material or waste that may or could pose a hazard to the environment or human health or safety, is or has been present at, on or under, or has been spilt, leaked, released, deposited, discharged or disposed in the soil or water in, under, around or upon any real properties owned, leased or occupied by any member of the Group (or at any other property by any member of the Group or any of its predecessors), except where such discharge or disposal is made by the Group in compliance with all applicable laws and regulations where it carries on business, or where such spill, leakage, release, deposit, discharge or disposal would not result in any liability under any applicable laws or regulations.

14. **LITIGATION, ARBITRATION OR INVESTIGATIONS**

14.1 As of the date of this Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the Company is aware, threatened, to restrain the entry into, exercise of the Company's rights under and/or performance or enforcement of or compliance with its obligations under this Agreement.

- 14.2 As at the date of this Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the Company is aware, threatened, against any member of the Group which has or could have a Material Adverse Effect.
- 14.3 As of the date of this Agreement, there is no investigation or enquiry by, any court, tribunal, arbitrator, governmental Authority or regulatory body outstanding or anticipated against any member of the Group which has or could have a Material Adverse Effect.

SCHEDULE 3
OFFEROR'S WARRANTIES

1. The Offeror is a company duly incorporated under the laws of Hong Kong and has been validly existing and in good standing under the laws of Hong Kong since incorporation.
2. The Offeror is duly authorised, has full power and authority and has taken all actions necessary, and has obtained or satisfied all corporate and regulatory Approvals, to execute and deliver this Agreement and exercise its rights, and perform its obligations under this Agreement in accordance with its terms.
3. The Offeror's obligations under this Agreement and each other document to be executed by it at or before the Effective Date in connection with the Proposal constitute, or will when executed constitute, valid, legal and binding obligations on the Offeror enforceable in accordance with their respective terms.
4. Neither the execution or performance of this Agreement (or any other document to be executed by the Offeror on or before the Effective Date) nor the making, implementation and completion of the Scheme, will result in, or amount to, a violation or breach by the Offeror of any Applicable Laws, or constitute a breach by the Offeror of any contract, agreement, articles of association, undertaking or commitment to which the Offeror is a party.
5. The Offeror will have sufficient resources available to it to satisfy acceptances in full of the Proposal in accordance with the Takeovers Code.

SCHEDULE 4 PRESCRIBED OCCURRENCES

For the purpose of this Agreement, “**Prescribed Occurrence**”, in relation to the Group or any member of the Group, as the case may be, means any of the following:

- (1) **Conversion of Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;
- (2) **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
- (3) **Alteration of Share Capital:** the Company resolving to reduce or otherwise alter its share capital in any way;
- (4) **Allotment of Shares:** the Company making an allotment of, or granting an option to subscribe for, any Shares or securities convertible into Shares or agreeing to make such an allotment or to grant such an option or convertible security, or any other member of the Group doing any of the foregoing with respect to its own securities;
- (5) **Borrowings, Indebtedness:** the Company incurring any additional borrowings or indebtedness, including by way of the issuance of bonds, notes or other debt securities (whether or not convertible or exchangeable into Shares and whether or not accounted as equity), save for:
 - (a) drawdowns on existing debt facilities;
 - (b) refinancing of any debt obligations prior to their due date; or
 - (c) any borrowing or indebtedness incurred in the ordinary course of business in relation to working capital requirements not exceeding HK\$20,000,000 (or its equivalent in other currencies);
- (6) **Guarantees, Indemnities:** the Company shall not:
 - (a) enter into any guarantee, indemnity or other arrangement to secure any obligation of any person (other than a member of the Group); or
 - (b) create any encumbrance over the Company or any member of the Group’s assets or undertakings,save in the ordinary course of business or in respect of any borrowings or indebtedness permitted in paragraph (5) above;
- (7) **Capital Expenditure:** the Company (or any member of the Group) making or incurring any capital expenditure save for any capital expenditure arising from or relating to cases of emergency;
- (8) **Injunctions:** an injunction or other order issued by any court of competent

jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Transaction or any part thereof by either the Offeror or the Company;

- (9) **Investigations:** if the Company (or any member of the Group) or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or proceeding;
- (10) **Proceedings:** the Company (or any member of the Group) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or proceeding in excess of HK\$500,000 (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or proceedings, save in the ordinary course of business;
- (11) **Resolution for Winding Up:** the Company (or any other member of the Group) resolving that it be wound up;
- (12) **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company (or of any member of the Group);
- (13) **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company (or of any member of the Group);
- (14) **Composition:** the Company (or of any member of the Group) entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
- (15) **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company (or of any member of the Group);
- (16) **Insolvency:** the Company (or of any member of the Group) becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;
- (17) **Cessation of Business:** any member of the Group ceases or threatens to cease for any reason to carry on business in the usual course;
- (18) **Investigations and Proceedings:** if the Company (or of any member of the Group) or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;
- (19) **Material Contracts:** if any of the Material Contracts entered into by any member of the Group are earlier terminated; or
- (20) **Analogous Event:** any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events.

SCHEDULE 5
CORPORATE INFORMATION OF THE GROUP

(a) CM Hi-Tech Cleanroom Limited

Company name	CM Hi-Tech Cleanroom Limited 捷芯隆高科潔淨系統有限公司 (formerly known as Channel Micron Holdings Company Limited 捷心隆控股有限公司)		
Company number	352413		
Place of incorporation	Cayman Islands		
Incorporation date	11 June 2019		
Listing date on the Main Board of the Stock Exchange	15 October 2020		
Stock Code	2115		
Issued share capital	HK\$14,000,000 divided into 1,400,000,000 ordinary shares of HK\$0.01 each		
Principal activities	Provision of cleanroom wall and ceiling systems and cleanroom equipment in the PRC and Malaysia.		
Controlling shareholders (who are acting in concert)		Number of shares held	% of shareholding (Approx.)
	Executive Directors		
	Name		
	Ng Yew Sum	340,028,550	24.29
	Law Eng Hock	60,040,050	4.29
	Chin Sze Kee	37,091,850	2.65
	Sub-total	437,160,450	31.23
	Other shareholders		
	Francis Chia Mong Tet	150,803,100	10.77
	Chang Chin Sia	40,019,750	2.86
	Ng Boon Hock	54,129,750	3.86
	Yap Chui Fan	37,911,600	2.71
	Lim Kai Seng	36,877,050	2.63
	Loh Wei Loon	5,106,950	0.36
Phang Chee Kin	6,466,950	0.36	
Luah Kok Lam	5,366,100	0.38	

	Sub-total	437,160,450	23.93
	Total	773,841,700	55.16
Share option scheme	<p>The Company has conditionally adopted the share option scheme on 3 September 2020 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.</p> <p>Since the adoption of the Share Option Scheme, no share options have been granted, exercised, lapsed or cancelled by the Target Company under the Share Option Scheme. As of the date of 2024 interim report of the Company published on 19 September 2024, 140,000,000 Shares are available for issue under the Share Option Scheme.</p>		
Share award scheme	N/A		
Directors	<p>Executive Directors: Mr. Ng Yew Sum Mr. Chin Sze Kee Mr. Law Eng Hock</p> <p>Independent non-executive Directors: Mr. Ng Seng Leong Mr. Martin Giles Manen Mr. Wu Chun Sing</p>		
Company secretary	Ms. Chan Sze Ting		
Auditors	Grant Thornton Hong Kong Limited		
Financial year end	31 December		
Registered office	Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands		
Principal Place of business	<ul style="list-style-type: none"> • Malaysia: Lot P.T. 14274, Jalan SU8, Persiaran Tengku Ampuan, 40400 Shah Alam, Selangor Darul Ehsan, Malaysia • Hong Kong: 5/F, Manulife Place 348 Kwun Tong Road Kowloon, Hong Kong 		
Share registrar	<ul style="list-style-type: none"> • Cayman Islands: Conyers Trust Company (Cayman) Limited • Hong Kong: Tricor Investor Services Limited 		
Board lots	10,000		

Subsidiaries	<ol style="list-style-type: none"> 1. Channel Micron International Limited - incorporated in BVI (100%) 2. Channel Systems Asia Sdn. Bhd. - incorporated in Malaysia (100%) 3. Channel Systems International Limited (捷能系统国际有限公司) - incorporated in Hong Kong (100%) 4. Channel Systems (Shanghai) Co. Ltd.* (捷能系统建材 (上海) 有限公司) - incorporated in the PRC (100%) 5. CSA Technic Sdn. Bhd. - incorporated in Malaysia (100%) 6. Max Micron Precision Sdn. Bhd. - incorporated in Malaysia (100%) 7. Micron Cleanroom (Philippines), Inc. - incorporated in Philippines (99.95%) 8. Micron (M) Sdn. Bhd - incorporated in Malaysia (100%) 9. Micron Technology (M) Sdn. Bhd. - incorporated in Malaysia (100%) 10. Channel CR Material (Shanghai) Co. Ltd.* (捷能新型建材 (上海) 有限公司) - incorporated in the PRC (100%)
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(b) Channel Micron International Limited

Company name	Channel Micron International Limited		
Company number	2015147		
Place of incorporation	BVI		
Incorporation date	12 June 2019		
Registered office	Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, VG1110, BVI		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	HK\$4 divided into 4 ordinary shares of HK\$1 per each		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	CM Hi-Tech Cleanroom Limited	4	100.0
	Total	4	100.0
Directors	Mr. Law Eng Hock		

	Mr. Ng Yew Sum Mr. Chia Francis Mong Tet Mr. Chin Sze Kee
Company secretary	Conyers Trust Company (BVI) Limited
Registered charge	NIL
Minimum/maximum number of members	Minimum: 1 Maximum: 50
Functions	Investment holding

(c) **Channel Systems Asia Sdn. Bhd.**

Company name	Channel Systems Asia Sdn. Bhd.		
Company registration number	479759-P		
Place of incorporation	Malaysia		
Incorporation date	25 March 1999		
Registered office	38, Tingkat 2, Jalan Dato Bandar Tunggal, Seremban, Negeri Sembilan, Malaysia		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	RM5,000,000 divided into 5,000,000 ordinary shares		
Registered shareholders		Number of shares held	% of shareholding (Approx.)
	Name		
	Channel Micron International Limited	5,000,000	100.0
	Total	5,000,000	100.0
Directors	Mr. Ng Yew Sum Mr. Peter Wayne Borris Mr. Douglas Frederick Bockmiller Mr. Francis Chia Mong Tet		
Company secretary	Mr. Chua Heng Fatt Mr. Wong Youn Kim		

Registered charge	All monies legal charge that was registered on 29 October 2021, with Alliance Bank Malaysia Berhad as the chargee.
Minimum/maximum number of members	Minimum: 1 Maximum: 50
Functions	Design, manufacture and marketing of cleanroom walls and component parts for cleanroom facilities and high technology plants

(d) **Channel Systems International Limited (捷能系統國際有限公司)**

Company name	Channel Systems International Limited (捷能系統國際有限公司)		
Business registration number	70866373		
Place of incorporation	Hong Kong		
Incorporation date	21 June 2019		
Registered office	6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	HK\$49,852,701.10 comprising 2 shares		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Channel Micron International Limited	2	100.0
	Total	2	100.0
Directors	Mr. Ng Yew Sum Mr. Francis Chia Mong Tet		
Company secretary	Consec Services Limited		
Registered charge	None		

Minimum/maximum number of members	Minimum: 1 Maximum: 50
Functions	Investment holding

(e) **Channel Systems (Shanghai) Co. Ltd.* (捷能系統建材（上海）有限公司)**

Company name	捷能系統建材（上海）有限公司		
Unified Social Credit Identifier	913101157585697270		
Place of incorporation	The PRC		
Incorporation date	18 February 2004		
Registered office	No. 1 Factory Building, Zone B, No.6999 Chuansha Road, Pudong New Area, Shanghai, The PRC 上海市浦东新区川沙路 6999 号 B 区 1 号厂房		
Company type	Private company with limited liability		
Registered/Issued and fully paid up capital	USD3,850,000		
Registered shareholders	Name	Registered capital (USD)	% of shareholding (Approx.)
	Channel Systems International Limited	3,850,000	100.0
	Total	3,850,000	100.0
Directors	Ng Yew Sum Peter Wayne Borris Francis Chia Mong Tet Doughlas Frederick Bockmiller		
Supervisor	Hartono Liu Chan Ong		
Company secretary	-		
Registered charge	None		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		

Functions	Production and sale of building materials for cleanroom walls and ceiling system doors, windows and lighting equipment, and provide related after-sales service
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(f) **CSA Technic Sdn. Bhd.**

Company name	CSA Technic Sdn. Bhd.		
Company registration number	1156549-H		
Place of incorporation	Malaysia		
Incorporation date	24 August 2015		
Registered office	38 Tingkat 2, Jalan Dato Bandar Tunggal, Seremban, Negeri Sembilan, Malaysia		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	RM1,200,000		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Channel Systems Asia Sdn. Bhd.	1,200,000	100.0
	Total	1,200,000	100.0
Directors	Mr. Ng Yew Sum Mr. Peter Wayne Borris Mr. Douglas Frederick Bockmiller Mr. Hee Kok Hiong		
Company secretary	Mr. Chua Heng Fatt Ms. Wong Youn Kim		
Registered charge	None		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		
Functions	Trading of cleanroom walls and ceiling systems and component parts for cleanroom facilities and high technology plants		

(g) **Max Micron Precision Sdn. Bhd.**

Company name	Max Micron Precision Sdn. Bhd.		
Company registration number	1009903-D		
Place of incorporation	Malaysia		
Incorporation date	13 July 2012		
Registered office	38 Tingkat 2, Jalan Dato Bandar Tunggal, Seremban, Negeri Sembilan, Malaysia		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	RM300,000		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Micron (M) Sdn. Bhd.	300,000	100.0
	Total	300,000	100.0
Directors	Mr. Ng Yew Sum Mr. Chin Sze Kee		
Company secretary	Mr. Chua Heng Fatt Mr. Wong Youn Kim		
Registered charge	None		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		
Functions	Dormant		

(h) **Micron Cleanroom (Philippines), Inc.**

Company name	Micron Cleanroom (Philippines), Inc.
Company Registration number	CS200901941

Place of incorporation	Philippines		
Incorporation date	12 February 2009		
Registered office	Unit 906, Page 1 Building, Acacia Ave, Madrigal Business Park, Ayala Alabang, Muntinlupa City		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	PHP9,490,000		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Micron (M) Sdn Bhd	9,485,000	99.95
	Ng Yew Sum	1,000	0.01
	Francis Chia Mong Tet	1,000	0.01
	Chin Sze Kee	1,000	0.01
	Ng Jun Jie	1,000	0.01
	Florentino Philip A. Pineda	1,000	0.01
	Total	9,490,000	100.0
Directors	Mr. Ng Yew Sum Mr. Francis Chia Mong Tet Mr. Chin Sze Kee Mr. Ng Jun Jie Mr. Florentino Philip A. Pineda		
Company secretary	Mr. Florentino Philip A. Pineda		
Registered charge	NIL		
Minimum/maximum number of members	Minimum: 2 Maximum: 15		
Functions	Manufacture and trading of cleanroom equipment and design and installation of cleanrooms for commercial and industrial use		

(i) **Micron (M) Sdn. Bhd**

Company name	Micron (M) Sdn. Bhd
Company registration number	183307-X

Place of incorporation	Malaysia		
Incorporation date	19 June 1989		
Registered office	38 Tingkat 2, Jalan Dato Bandar Tunggal, Seremban, Negeri Sembilan, Malaysia		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	RM568,000 divided into 568,000 ordinary shares		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Channel Micron International Limited	568,000	100.0
	Total	568,000	100.0
Directors	Mr. Ng Yew Sum Mr. Francis Chia Mong Tet Mr. Chin Sze Kee		
Company secretary	Mr. Chua Heng Fatt Ms. Wong Youn Kim		
Registered charge	<ol style="list-style-type: none"> 1. Against the fixed deposit receipts and letter of setoff, registered on 20 November 1993, with Public Bank Berhad as the chargee. Amount of indebtedness is RM100,000 2. Facilities agreement & registered all open monies first party charge, registered on 25 September 2018, with Public Bank Berhad as the chargee. 3. Letter of setoff, registered on 18 January 2019, with Public Bank Berhad as the chargee. 		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		
Functions	Cleanroom design and engineering works, trading and installation of cleanroom equipment, component and parts and air filtration system		

(j) **Micron Technology (M) Sdn. Bhd.**

Company name	Micron Technology (M) Sdn. Bhd.		
Company registration number	360844-W		
Place of incorporation	Malaysia		
Incorporation date	25 September 1995		
Registered office	38 Tingkat 2, Jalan Dato Bandar Tunggal, Seremban, Negeri Sembilan, Malaysia		
Company type	Private company limited by shares		
Registered/Issued and fully paid up capital	RM1,650,000 divided into 1,650,000 ordinary shares		
Registered shareholders	Name	Number of shares held	% of shareholding (Approx.)
	Micron (M) Sdn Bhd	1,650,000	100.0
	Total	1,650,000	100.0
Directors	Mr. Ng Yew Sum Mr. Chin Sze Kee		
Company secretary	Mr. Chua Heng Fatt Ms. Wong Youn Kim		
Registered charge	(a) A memorandum of deposit of fixed deposit certificate and / or mudharabah investment account certificate and / or negotiable certificate of deposit (first party) and (b) Letter of Setoff (first party), registered on 7 July 2023, with Maybank Islamic Berhad as the chargee.		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		
Functions	Design and manufacture of fan filters and other equipment for cleanroom facilities and high-technology plant		

(k) **Channel CR Material (Shanghai) Co. Ltd.* (捷能新型建材 (上海) 有限公司)**

Company name	捷能新型建材 (上海) 有限公司
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Unified Social Credit Identifier	91310115MA1H92YB57		
Place of incorporation	The PRC		
Incorporation date	20 June 2017		
Registered office	Room 101, 1 st Floor, Building 24, No.6999, Chuansha Road, Pudong New Area, Shanghai, The PRC 上海市浦东新区川沙路6999号24幢一层101室		
Company type	Private company with limited liability		
Registered/Issued and fully paid up capital	RMB2,000,000		
Registered shareholders	Name	Registered capital (RMB)	% of shareholding (Approx.)
	Channel Systems (Shanghai)	2,000,000	100.0
	Total	2,000,000	100.0
Directors	Law Eng Hock Douglas Frederick Bockmiller Ng Yew Sum Francis Chia Mong Tet Peter Wayne Borris		
Supervisor	Hartono Liu Chan Ong		
Company secretary	-		
Registered charge	None		
Minimum/maximum number of members	Minimum: 1 Maximum: 50		
Functions	Installation and wholesale of building materials for cleanroom walls and ceiling systems doors, windows and lighting equipment, and provide related after-sales service		

THIS AGREEMENT has been executed on the date and year first above written.

SIGNED by **NG YEW SUM**)
for and on behalf of)
CM HI-TECH CLEANROOM LIMITED)




Witness: **NG JUN JIE**



SIGNED by **CHIN KIM FA**
for and on behalf of
MAYAIR HK HOLDINGS LIMITED

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) *Ching*
)


Tan Chia Ching
Solicitor
Howse Williams
27/F Alexandra House
18 Chater Road
Central
Hong Kong SAR